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ABSTRACT

There is significant inequality in funding public libraries in Michigan, and there is every likelihood that there will be increased instability in that funding if action is not taken immediately. The objectives of this study included the following: provide an analysis of how public libraries in Michigan are currently funded; identify current threats to revenue streams and comment as appropriate; conduct a policy analysis of existing statewide laws affecting the funding of Michigan public libraries; describe the funding relationships between library cooperatives and public libraries and how such funding relationships might evolve in the future; provide a means of dealing with covering the cost of inflation when considering any funding formula for public libraries and cooperatives; identify existing funding models in other states that could be adapted to Michigan; and initially, develop a strategy to gain the support of public libraries throughout the state and subsequently, the state legislature for the recommended funding model. The overall goal of the study was to recommend possible approaches for addressing the specific funding problems identified through the research and outline a strategy for the systemic implementation of potential solutions. Findings suggest that there is considerable support for a combined short-term and long-term strategic effort. Public libraries in Michigan need immediate and significant relief as soon as possible, but they also need a long-term strategy to address a range of legal/statutory problems. Chapters are: (1) Introduction; (2) The Current Context of Michigan Public Library Funding; (3) Examining Peer State Public Library Funding; (4) Michigan Law Summary; (5) Survey Data Analysis; (6) Site Visits; and (7) Developing a Strategic Plan for Equitable and Stable Public Library Funding. Appendices include: funding issues report; Finance Study Committee Report to PLFIG; Valuation of a Mill Across Michigan table; Public Library Reliance on Voted Millage table; Penal Fine Reliance (1999) table; Michigan Cooperative Library Survey; and Finance Study Committee Report. Twenty-eight tables, figures, and charts are included throughout the text. (AEF)

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CREATING STABILITY AND EQUITY IN MICHIGAN PUBLIC LIBRARIES:

ENDING THE CRISIS

Final Report to the

Michigan Public Library Funding Initiative Group (PLFIG)
Kalamazoo, Michigan

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Executive Summary

The Crisis in Michigan Public Library Funding

There is significant inequality in funding public libraries in Michigan and there is every likelihood that there will be increased instability in that funding if action is not taken immediately. Chapters Two through Five document these inequalities. Furthermore, many public librarians who believe they provide "good enough" services are, in fact, providing poor or mediocre services, which are limited in their quality, scope, and application of new information technologies. A strategic plan of action should be set in place immediately to improve the quality and range of public library funding mechanisms. Adequate and ongoing support for public libraries is needed, and it's needed *now*.

Public libraries find themselves in the difficult position of having to both maintain and extend traditional library services, and develop, implement, and upgrade electronic and networked based services. Thus, increased demands on library services and the provision of electronic/networked resources oftentimes have not been adequately accommodated through increased funding sources. Moreover, because of situational factors unique to individual local libraries within the state of Michigan, there continues to be significant discrepancies between the resource bases of some public libraries in Michigan as opposed to others (Library of Michigan, 1999).

Clearly, public libraries in Michigan are under a range of pressures and demands to maintain and improve the delivery of information and services. These forces must be addressed if public libraries are to be successful in the new millennium. Perhaps the most important issue will be the degree to which public libraries can secure sound and continuous statewide funding. Funding issues related to securing a good mix of local support, state aid, and state-based funding mechanisms will be critical to produce an environment where libraries can plan strategically for successful provision of both traditional and networked services. Furthermore, the decision to implement any new approach for public library funding will require local officials, community members, the public library community, library cooperatives, the state library, and the state government to promote equity and stability in library service funding throughout the state.

Study Objectives

The objectives of the study were outlined in the Public Library Funding Initiative Group (PLFIG) Request for Proposal and included the following:

- Provide an analysis of how public libraries in Michigan are currently funded.
- Identify current threats to revenue streams and comment as appropriate

- Conduct a policy analysis of existing statewide laws affecting the funding of Michigan public libraries.
- Describe the funding relationships between library cooperatives and public libraries and how such funding relationships might evolve in the future.
- Provide a means of dealing with covering the cost of inflation when considering any funding formula for public libraries and cooperatives.
- Identify existing funding models in other states that could be adapted to Michigan.
- Recommend models of public library and cooperative funding for Michigan.
- Initially, develop a strategy to gain the support of public libraries throughout the state and subsequently, the state legislature for the recommended funding model.

PLFIG, the initiator and partner in the study, recognized the breadth of these initiative objectives and some modifications were made as the study progressed given the complexity of the topic and the availability of resources. Most importantly, the overall goal of the study was to recommend possible approaches for addressing the specific funding problems identified through the research, and outline a strategy for the systemic implementation of potential solutions.

Overview of Study Method

The study employed multiple qualitative and quantitative techniques to assess the existing funding conditions in Michigan as well as to develop recommendations for improving the current situation. Data gathering techniques included:

- Review of previous studies
- Policy analysis of Michigan laws
- Survey
- Focus and discussion groups
- Site visits around the state
- Public hearings
- Individual interviews with key opinion leaders.

From the beginning of the project, the study methodology provided for direct and regular involvement by members of PLFIG and other librarians and officials in the state. PLFIG established a Project Advisory Committee (PAC) that served as a working group that was regularly and actively engaged in both developing and completing project activities.

Selected Key Findings

The numerous laws pertaining to the establishment, governance, and funding of public libraries in Michigan constitute a patchwork of efforts rather than a comprehensive structure to support public libraries. In fact, a number of the existing laws pose serious threats to the long-term equity and successful growth and development of public library funding in Michigan. Additionally, the ambiguity of the many laws illustrates a lack of coordinated evaluation regarding the sustaining of successful public libraries.

Equally problematic is the divisive effect of Michigan's laws on cooperative library services across the state. Different laws have different impacts on different library systems. For example, penal fines constitute the majority of total operating income for certain libraries, and contribute very little revenue for others.

Additionally, differing impacts occur from municipal finance reform laws that help some libraries and hurt others. To address these ambiguities and contradictions, the study team analyzed public library funding mechanisms utilized in Ohio, Pennsylvania, and Florida for approaches that may be applicable in developing a new model for public library funding in Michigan (see Chapter Three "Examining Peer State Public Library Funding"). During this process, the study team determined that public libraries in Michigan do *not* receive state funding comparable to public libraries in neighboring states. For example, Michigan public libraries receive approximately half of the state funding that Illinois libraries receive, and less than the national average. Conversely, Ohio receives nearly 18 times more state funding for public libraries than Michigan, and about 9 times more than the national average.

Clearly, the current patchwork of existing laws makes any agreement on how best to revise these laws very difficult for Michigan's public library community. Thus, revision of laws concerning public libraries will need to be done in such a way that most libraries are "held harmless" and resulting changes do *not* translate to less funding for individual libraries. Therefore, a comprehensive overhaul of public library laws in Michigan must increase the overall "pot" of resources available to *all* public libraries. The overhaul should produce a coherent and integrated approach that, at a minimum:

- Encourages equity of funding among various types of public libraries,
- Develops long-term growth and evolution of stable funding for Michigan public libraries,
- Provides incentives for local libraries to develop initiatives and improve the quality and extent of their library services,
- Can be agreed upon by the vast majority of public libraries, and
- Results in better funding for libraries and better library services for the residents of Michigan.

If Michigan public libraries are to develop and grow, a major reassessment of the laws affecting public libraries needs to occur. This reassessment must result in a comprehensive proposal that can be presented to the public library community and ultimately to the state legislature for approval and implementation. Without undertaking this reassessment and legislative initiative, efforts to institute alternative statewide funding models may be for naught.

Ending the Crisis: Short-Term and Long-Term Initiatives

Findings from this study suggest that there is considerable support for a combined short-term and long-term strategic effort. Public libraries in Michigan need immediate and significant relief as soon as possible, but they also need a long-term strategy to address a range of legal/statutory problems. The public library community should resist a "band-aid" approach to solve one or two problems in a piece-meal fashion. A carefully thought-out, strategic approach is the best approach for moving the broad public library community forward and toward improvement in overall quality and impact of public library services in the state. This approach should be comprised of two components, a short-term strategy and a long-term strategy

The Short-Term Strategy

An effective short-term effort would encompass several steps. The first step is clarifying leadership for the development of strategic plan. The need for clear and coordinated public library leadership to direct the strategic plan is essential. Effective leadership will necessitate the direct support and involvement of the Library of Michigan, the Cooperatives, the Michigan Library Association, and key opinion leaders in public libraries throughout the state. An organizational structure that included an advisory committee with representatives from these organizations and individuals might be one way to proceed. But regardless of the structure chosen, direct and ongoing financial support for staff to manage the strategic plan is essential – regardless of where those staff are located and to whom they report.

The second step of the short-term plan involves beginning a statewide education and awareness program for the library community and the residents of the state. Such a program is needed to inform residents, Trustees, Friends, librarians, and government officials about a range of topics and issues. It is important to think of this second step as a individual program. That is, there needs to be someone who is responsible for developing and implementing the program; there needs to be specific educational products and modules that are seen and disseminated statewide so a uniform message is heard across the state; there should a time line, a schedule, and tasking for how this will be implemented; and there should be some ongoing evaluation of the program so it can be fine-tuned as it is developed and implemented. Successful implementation of this education/awareness program is critical to the overall success of the strategic plan.

The third step in this process may seem fundamental. Quite simply, all involved parties must "agree to agree, and agree to disagree, if they cannot agree." Public wrangling and finger pointing about statewide problems, historical issues, personalities, etc. must stop. The public library community and its Friends and Trustees must put forth a common vision and plan that they can all agree upon, at least to the point that participants will not sabotage the plan publicly. The library community must have a united front as it promotes the strategic plan and works with state and local government officials to implement the plan. They must be willing to work for the benefit of statewide public library services.

The existence and effective functioning of PLFIG has shown that there are a significant number of public libraries, directors, staff, cooperatives, and others in the state that can work together toward the common goal of increased stability and improved equity of public library funding. This is a significant step in "agreeing to agree." This attitude needs to continue and be nurtured throughout the public library community. Working together, having a common vision, and promoting the importance of public libraries statewide will be another critical success factor for the overall success of the strategic plan.

The short-term plan will also be comprised of several essential initiatives designed to strengthen the foundation of library infrastructure and technological capabilities. This initiative includes the following:

- **The Michigan Public Library Technology Infrastructure Enhancement Initiative**
  This initiative, designed to benefit all public libraries and Michigan residents, builds on currently existing and successful models and expands programs that librarians report they need most. Importantly, this initiative provides libraries the opportunity to work together toward improved services and resources for residents and to raise libraries' visibility throughout the state.

- **Statewide Portal**
  This service would improve Michigan residents' access to significant and key statewide resources and raise the Library of Michigan's visibility within state government. This includes a statewide library catalogue, Michigan Electronic Library (MEL), Access Michigan, state government information services, and some special collections within the state.

- **Statewide Access to Materials in Libraries**
  This initiative would provide full funding to support the MichiCard program, significant incentive funding for purchase of library materials, and a formula-based funding to reimburse net lenders in the statewide interlibrary loan program.

- **Technological Enhancement**
  If Michigan public libraries are to enter the Information and Networked Age, there must be support to design and operate the information technology infrastructure. This initiative would: (1) provide for full-time technology specialists and supplemental technology costs for every library cooperative; (2) provide funds for the design, installation, and operation of four interactive, electronic classrooms and meeting rooms for public library services, education, training, and statewide meetings/conferences (along with a fully-staffed and professional instructional studio at LM; and (3) establish a 1-800 dial-up number to make Internet connectivity available to all public libraries in the state that are unable to afford or otherwise obtain adequate connectivity.

- **Technology Infrastructure Grants**

This initiative would be a one-time program with two major components. The first component of this program is support for building, construction, information technology development, and technology upgrades at the Detroit Public Library. The second component of this program would include competitive grant awards submitted by public libraries to the Library of Michigan.

The following chart shows the annual costs for the Short-Term Strategy for funding Michigan's public libraries, as discussed above.

The Long-Term Strategy

The long-term strategy will be proposed legislation, *The Omnibus Public Library Reorganization Act*. This long-term strategy should evolve in tandem with the short-term strategy and will require establishing principles for reorganizing Michigan's public library funding laws. It may be helpful to begin the reorganization process by considering the following principles:

- Begin with a "clean slate" for the comprehensive reorganization of statewide funding and operation of public libraries.
- Simplify and reduce the laws governing public library organization and funding.
- Increase the total amount of state aid available to public libraries.
- Provide incentives for improving library services.
- Require accountability from public libraries and cooperatives.
- Establish a transition period for libraries to meet new services and funding standards.
- Encourage public libraries to take a role in state and local economic development.
- Above all else, do no harm to existing public library funding.
- Promote statewide access to and use of information for ALL Michigan residents.

These principles provide a framework by which any reorganization of public law and regulations can best proceed. Agreement on these principles will assist in the detailing of specific proposals.

Specific Long-Term Recommendations

The following areas of public library funding offer specific areas where change in the public law and regulations is essential if public libraries in Michigan are going to flourish, grow, and enhance the overall quality of life in the state. The following areas must be addressed:

- Equity of Penal Fines

- The function of the Library of Michigan (LM)
- Changes to PA 89 and related laws (including revisiting state aid formulas and establishing performance standards.
- Initiation of incentives and accountability programming.
- Elimination of millage caps for support of public libraries.

These specific recommendations only begin to address the range of statutory and regulatory changes that are needed to update Michigan public library laws, to simplify them, to make them coherent and understandable, and to support high quality public library services throughout the state. Significant additional work and discussion among the public library community, local and state government officials, Friends and Trustees, and others will be needed to propose the Public Library Omnibus Comprehensive Reorganization Act for legislative review.

Funding recommendations for the long-term strategy include these components:

1. Direct state aid to public libraries should be in the $5 to $7 per capita range.

2. Direct state aid to cooperatives should be formula-driven and include:

    a. a base grant of $300,000 to $500,000 indexed to inflation,
    b. a per capita grant of $1.50 to $3 indexed to inflation,
    c. special grants for large geographic areas with low population density,
    d. technology specialists and assistance outlined in the short-term strategy.

3. Standards, service quality guidelines, accountability and incentive awards all need to be developed.

End the Crisis

The current problems with public library funding in Michigan must be addressed and resolved immediately. As one citizen at a public hearing stated, "we deserve better library services than what we currently get." Because of the wide range of disparities across the state in terms of funding, it is possible to point to well-funded public libraries in Michigan. This is not the norm, however. Public libraries in Michigan need help and support right away. Residents and state officials need to be made aware of the somber plight of public libraries. They also need to recognize the need and importance of moving forward with a comprehensive strategic plan.

Public libraries in Michigan and residents they serve deserve better; they deserve adequate, stable, and equitable funding. The public library community needs to implement a plan to insure that residents and users of public libraries receive high quality, state-of-the-art information services and resources. Public libraries will continue to play an increasingly important role in the access to and use of electronic information.

They must be adequately funded if the residents in the state of Michigan are to successfully compete in the global networked environment. *Action must be taken NOW.*

Chapter One

Introduction

The Crisis in Michigan Public Library Funding

Adequate and coherent funding for the nation's public libraries has been an ongoing and key issue for many years. Ten years ago, Arthur Curley (1990) noted that public libraries were "struggling to emerge from a decade and more of crisis," with severe revenue shortages being the "most obvious manifestation of that crisis" (Curley, 1990, p.105; see also Duncan et al., 1998, p.150-51). While many changes have occurred in library service in the past decade, the same perilous anomaly lies at the root of a continuing problem: the public library is "revered as fundamental to the nation's values, yet without mandate or secure fiscal niche at any level of government in most areas of the country" (Curley, 1990, p.105).

Public libraries find themselves in the difficult position of having to both maintain and extend traditional library services, and develop, implement, and upgrade electronic and networked based services. Thus, increased demands on library services and the provision of electronic/networked resources oftentimes have not been adequately accommodated through increased funding sources. Moreover, because of situational factors unique to individual local libraries within the state of Michigan, there continues to be significant discrepancies between the resource bases of some public libraries in Michigan as opposed to others (Krefman, Dwyer, & Krueger, 1999).

In the Spring of 2000, the Michigan Public Library Funding Initiative Group (PLFIG) contracted with the Information Use Management and Policy Institute at Florida State University to study and make recommendations regarding public library funding in Michigan. The findings from this study depict a crisis in public library funding in Michigan. Specifically, it is revealed that the state laws and regulations affecting public libraries are confused and pit public libraries against each other for funding, that state aid to public libraries is significantly inadequate to meet the information needs of Michigan residents, and that the Library of Michigan is unable to perform effectively as a state library.

Over the years, a number of efforts within Michigan have reviewed the funding of public libraries, analyzed funding patterns and sources, and made recommendations to improve and equalize the process. In 1988, the report *Information at Risk: Michigan Libraries in the 1990s* identified a broad range of issues and concerns that negatively impacted the provision of public library services (Library of Michigan Board of Trustees, 1988). In 1990, the King report, *Public Library Development Plan for Michigan* was released and also identified numerous problems and issues related to public library funding (King, 1990). A 1992 study by the Michigan Library Association (MLA) identified a number of these issues and offered some possible approaches for their resolution. Additionally, the MLA endorsed specific strategies for action in the 1999 Michigan Legislature (MLA, 1999).

All of these efforts identified a range of factors within Michigan which influence, threaten, constrain, and compete for public library revenues. Arguably, the problems related to public library funding in Michigan have been more than adequately *identified* during the past two decades. Yet to be discovered are strategies for *addressing* these problems. The following pages in this chapter provide background related to Michigan public library funding, the development of the PLFIG, and an introduction to the organization of the study that is reported here.

Michigan Public Library Funding Background

Numerous sources of public library funding are currently in existence in Michigan. Fitzgerald and Lueder (1986) provided an overview of such public library funding sources in the *Trustee Facts File*. General funding categories identified by the authors are as follows:

- **Local taxes.** Taxation includes property taxes, special taxes (such as audit fund taxes, municipal retirement fund taxes, social security taxes, or taxes on liability insurance, workers' compensation, and unemployment insurance premiums), building bonds, and taxation by referendum.
- **State aid.** States provide a range of programs and direct state aid in support of public libraries. Direct state aid may be $X amount of aid per capita to libraries, cooperatives, etc. The state may also support directly programs such as access to electronic databases for all participating libraries.
- **Federal aid.** Libraries can apply directly to receive program monies from various federal initiatives. State libraries also provide "pass along" money from programs such as Library Services and Technology Act (LSTA) often in the form of competitive grants.
- **Grants**. Grants include various support from foundations, corporations, or other organizations.
- **Gifts/bequests/donations**.
- **Money-raising projects.**
- **Fines and fees.**
- **Investments.**

In addition to these general categories of funding, there are a variety of unique local sources of public library revenue in Michigan, such as penal fines (implications of penal fine revenue are discussed in detail in later chapters). Furthermore, funding relationships between Michigan library cooperatives and individual public libraries, which may vary from region to region. Previous studies in Michigan have discussed the strengths and weaknesses of these funding types. However, there remains increasing agreement regarding the limited impact from these combined funding sources.

Because public libraries are local in nature, funding them has been a predominantly local matter. In their review, Fitzgerald and Lueder (1986, p.2) note that local property taxes account for approximately 80% of library funding nationwide. This is consistent with the latest national statistics on per capita public library operating income, identifying 78% of public library funding as being derived from local sources (NCES 1999, Table 11). However, there are great differences among communities with respect to wealth and growth rate, making the viability of local support for public libraries uncertain from one community to the next.

Michigan is not alone in attempting to cope with a range of changing economic factors affecting public library funding. In communities in which economic growth is stagnant or declining, dependence on local taxes often means funding for libraries is the first cut made by local communities. Lueder et al. (1996) suggest libraries need to be involved in the development agreements between developers and cities, and request that a donation for library service to the expanded customer base be included. Tax capture mechanisms and other current revenue streams for public libraries provided through local legislation are considered in detail in Chapter Four of this report.

The range of possible funding streams supporting Michigan's public libraries combine to form a hodge-podge of conflicting and confusing laws and regulations that can be interpreted differently. Indeed, the complexity of these laws often defies logical explanation regarding how they are to be implemented at the local level. Many of these issues and complexities are discussed in Appendix I.

Impediments to Stable and Equal Funding in Michigan

The research conducted by the Information Institute identified numerous problems with the traditional model of predominantly local funding for public libraries. The first dilemma encountered is that jurisdictions with lower income levels (based on socioeconomic factors or low population density, for example) frequently received lower levels of library funding. Furthermore, although local counties and municipalities generally fund public libraries, they are not required to maintain funding at a specific mandated level, or in fact, at all.

Michigan's use of penal fine revenue to fund public libraries also contributes to the incongruity of resources available to individual libraries. The actual amounts of income generated by penal finds can vary considerably year to year; furthermore, the nature of penal fine funding is simply not equitable. For example, counties with weigh stations, at which trucks may be fined for overweight shipments, receive much higher revenues than those without weigh stations.

Other problems presented by current public library funding mechanisms in Michigan abound. For example, a one (1) mill levy in one community can generate considerably less revenue for the public libraries than in another community (see Appendix III). Additionally, the number of mills that can be used to support a public library is capped at 4 mills, so local communities that want to increase their millage rate beyond 4 mills are not permitted to do so. Also, some communities have been heavily damaged by tax abatement initiatives passed by the state, while tax abatement programs may have no impact on libraries in other communities. These are but a few of many examples.

Because the distribution of people and wealth is so diverse in Michigan, alternative approaches for the allocation of public library funding are necessary. State funding is one avenue for overcoming inequities in service. There are numerous methods by which states can provide funding to public libraries. These methods include assigning percentages of specific taxes to public libraries, creating new taxes (such as those on interstate phone calls and cable television) designated for public libraries, mandating millage collection from counties and/or municipalities, or increasing state allocations for library cooperatives

Dubberly (1992) argues that too much emphasis is placed on the paradigm of locality in funding public libraries. He states, "Public libraries are funded and controlled by the smallest political jurisdiction possible at the same time that highly mobile populations are sprawled over many political boundaries" (p.42). He observed that a "local world view wastes opportunities for more effective use of resources through the development of shared systems" (p.38). Instead, Dubberly offers a new funding relationship, where local funds are necessary for being responsive to local needs, while state funds support services throughout the state at a "moderate" level. Taking on a much larger and more direct role than before, the "federal role would provide significantly for ... research, developmental, and technical assistance projects," as well as "direct per capita funding to the public library systems for *compensatory* services" (p.45).

Ultimately, the literature suggests that basic keys to success are: (1) a comprehensive statewide set of laws, guidelines, and standards that support public library development; (2) local communities finding a balance of funding streams that best serves the local needs and interests of residents while sustaining high quality library service; and (3) having an articulate, visible, and dynamic library director who is knowledgeable about local politics and can, "work the system."

How to accomplish such a feat across the state Michigan has been the subject of contention for some time. Possible resolutions have been complicated by the difficulty of generalizing among communities and localities, recognizing unique political conditions within both the community and the state, and overcoming the inevitable conflicts among the range of key stakeholders. Stakeholders include local governments, state government, the Library of Michigan, regional cooperatives, public librarians representing different sizes and types of libraries, the residents and users, etc. The problems of inequity and instability inherent in the current funding structure for public libraries in Michigan are discussed at length later in Chapter Four: Michigan Law Summary, and Chapter Five: Survey Data Analysis.

Exploring Possible Funding Alternatives

As the role of the public library expands, due in large part to increasing technology needs and increased demands by local communities, it is necessary to analyze existing funding mechanisms, consider new public library funding sources, and examine funding models in other states. Such an analysis may offer ideas and assist in identifying new approaches for consideration in Michigan.

The development and implementation of comprehensive statewide models for funding public libraries that will ensure equitable and stable sources of revenue for public libraries may hinge upon how terms such as "equitable" and "stable" are defined, as well as how stakeholder groups determine or perceive those definitions. The need to offer models and recommendations that "benefit all Michigan public libraries" (PLFIG, 1999) can also prove problematic, particularly considering the current complexities in Michigan public library's funding laws, and the legitimate concern that "a one size fits all" approach to funding programs may not equitably assist all libraries.

Despite historical ties to libraries' local jurisdictions and the associated revenue, limitations on what communities (particularly the poorer ones) can support have led to greater attention to broad bases of funding. In Michigan, these limitations on local support prompt a close look at problems addressed in other states' models, details on which can be found in Chapter Three: Examining Public Library Funding Michigan's Peer States.

After experiencing difficulties funding the provision of library services at a desirable level, the Pennsylvania Library Association (1998), recommended the following: (1) Libraries should remain local institutions which are organized, governed and principally funded at the local and county level; (2) The $2 per capita local support requirement for state aid, not changed since 1961, should be increased to $5 per capita with consideration given for disadvantaged communities; and (3) The Commonwealth of Pennsylvania should take on a larger partnership role to provide the following:

- Basic, consistent library service, particularly for rural communities and economically disadvantaged library users statewide, to be achieved through a significantly greater state investment than the current ratio of $1 in state funds for every $6 spent on libraries;
- Stronger state incentives to leverage greater local financial support;
- Continued coordination of services, resources, and training;
- Ongoing funding for improved and new library technology; and
- A five-year phase-in period with the state investing an additional $18 million each year so that by the year 2003, Pennsylvania's libraries will be in a much stronger position to meet the information needs of all Pennsylvanians well into the Twenty-First Century.

Thinking in Pennsylvania reflects a trend toward insisting upon more state support of local library needs. Interestingly, some analysts press for going beyond state funds to increasing federal sources of money to strengthen public library operations and growth. Yet there is, and likely will continue to be, stiff competition for new resources to support public libraries at both the state and federal levels.

Again, while local funding on the city or county level has been the traditional model for providing primary support to public libraries, a number of states have adopted alternative approaches, which in turn serve to increase local support. New statewide models have demonstrated the benefit of contributing to the equity of public library service. The added bonus of state incentives can be seen in the leveraging of increased local support. In California, for example, legislation mandates that all jurisdictions allocate public libraries with at least the same amount as the previous year; additionally, libraries will receive state aid based on the population of the library's service area.

Pennsylvania also embraces a funding formula with a component designed to leverage local funds; additionally, the state employs aid for libraries to assist large libraries in helping smaller ones. Furthermore, Pennsylvania requires public libraries to meet state standards as a contingency for receiving aid, giving the state a valuable monitoring function over public library service.

The state of Ohio has successfully allocated a percentage of the state income tax to its counties for distribution to public libraries. These state assembled funds are then distributed through a two-part formula. The first part of the formula ensures that all counties receive an allocation equal or greater than the prior year's revenue, as well as an increase for inflation. The second part allows for distribution of the excess revenue among counties with the lowest per capita revenues.

Background of the Study

In 1999, a group of public library and cooperative library directors in Michigan recognized that various current and proposed state laws and local practices could prove detrimental to library revenue streams. Concerned libraries and cooperatives joined together to form the Public Library Funding Initiative Group (PLFIG). The plethora of rules and regulations governing sources of public library revenue, and the manner in which funds are distributed to public libraries in Michigan, prompted PLFIG to commission Florida State University's Information Use Management and Policy Institute to conduct a study to examine the stability and equity of public library funding in the state.

The study, presented in this report, included an analysis of the existing system of public library funding, a survey of cooperative library directors, collection of information from Michigan's public library directors to determine the impact of funding mechanisms and threats to funding, and a review of successful funding models implemented in Michigan's peer states. The study also included site visits around the state of Michigan and public hearings at which interested residents could offer their views about public libraries.

The outcome of the research was a number of findings and recommendations for improving and facilitating equitable and stable library funding in the state of Michigan.

These findings and recommendations, presented in Chapters Six and Seven, provide a number of approaches that PLFIG can consider in obtaining the legislative support essential for implementing enduring solutions for equitable and stable public library funding in Michigan.

Study Objectives

The objectives of the study were outlined in the PLFIG Request for Proposal and included the following:

- Provide a thorough analysis of how public libraries in Michigan are currently funded.
- Identify current threats to revenue streams and comment as appropriate.
- Conduct a policy analysis of existing statewide laws affecting the funding of Michigan public libraries.
- Describe the funding relationships between library cooperatives and public libraries and how such funding relationships might evolve in the future.
- Provide a means of dealing with covering the cost of inflation when considering any funding formula for public libraries and cooperatives.
- Identify existing funding models in other states that could be adapted to Michigan.
- Recommend models of public library and cooperative funding for Michigan.
- Initially, develop a strategy to gain the support of public libraries throughout the state and subsequently, the state legislature for the recommended funding model.

The PLFIG recognized the breadth of these initiative objectives and some modifications were made as the study progressed given the complexity of the topic and the availability of resources.

Project Participants

The funding for this project was provided by public libraries and cooperatives participating in PLFIG. The contributors are shown in Table 1.1. In short, there was wide support across the various classes of libraries to participate in the project. Each library made a contribution to the project as it was able; there were no minimum requirements for participation. The total of 160 libraries and cooperatives, which contributed to funding the project suggests that a significant portion of library representatives in Michigan believe work must begin toward developing equitable and stable funding for Michigan public libraries.

Table 1.1 *Libraries and Cooperatives Contributing Funding for Study*

	Contributing Libraries
Coops	12 of 14 (86%)
Class I	19 of 85 (22%)
Class II	19 of 79 (24%)
Class III	26 of 82 (31%)
Class IV	35 of 62 (56%)
Class V	23 of 34 (67%)
Class VI	34 of 41 (82%)
Overall	156 of 383 (41%)

Methodology

The study employed multiple qualitative and quantitative techniques to assess the existing funding conditions in Michigan as well as to develop recommendations for improving the current situation. Data gathering techniques included the following:

- **Review of Previous Studies**. As noted earlier in this chapter, a number of previous studies have been conducted to assess public library funding in Michigan. These studies were reviewed by the study team and discussed with members of the PLFIG.

- **Policy Analysis.** Policy analysis was conducted to determine existing and proposed legal structures pertaining to library formation and funding in Michigan. This summary appears in Chapter Four. An analysis of the issues affecting public library funding and the impacts of these funding problems appears in the Appendix.

- **Surveys.** The Michigan Public Library Director Survey was distributed electronically or in print to all public library directors in Michigan, and the results appear in Chapter Five. The Cooperative Library Director Survey was mailed to each of the 14 cooperative library directors in Michigan; this survey and a written summary of the results appear in the Appendix of the report.

- **Focus groups.** On site and telephone focus groups were conducted to determine the opinions and thoughts of library administrators, staff members, and patrons. Focus group results appear in Chapter Six.

- **Interviews.** Phone and on site interviews were conducted by members of the study team to confirm the current status of, and threats to, library funding in Michigan. Key opinion leaders around the state participated in these interviews. Chapter Six contains the content analysis of these interviews.

- **Site Visits.** Members of the study team also visited several libraries in Michigan. These visits included meetings with library staff, as well as focus groups and public hearings. Information gathered during site visits offered detailed examples of problems and issues related to funding, provided an opportunity to obtain feedback on possible solutions, and clarified the need for statewide cooperation to implement the changes suggested in Chapter Seven.

A combination of qualitative and quantitative research techniques ensured a thorough investigation of existing funding mechanisms and structures in Michigan. Additionally, multiple data collection techniques contributed to the reliability and validity of collected data by reducing validity threats, and decreasing the effects of bias.

Given the collection of both qualitative and quantitative data, reliability and validity checks were made between and among the various data collection instruments. With viable and reliable data, the study team was able to generate reasonable, pragmatic recommendations. The study team incorporated specific techniques based on approaches and strategies proven to be effective in the social sciences (McClure, Fraser, & Smith, 2000; Kreuger, 2000; Creswell, 1994; Jones, 1996; Glitz, 1998; Majchrzak, 1984; and Merton, 1956).

PLFIG Involvement in the Study

From the beginning of the project, the study methodology provided for direct and regular involvement by members of the PLFIG and other librarians and officials in the state. The PLFIG established a Project Advisory Committee (PAC) that served as a working group that was regularly and actively engaged in both developing and completing project activities. The PAC, and its various subcommittees, were responsible for:

- Providing the study team with information related to public libraries, the statewide library organizational structures, statistics, and other information necessary for study completion.

- Developing, with the assistance of the study team, project documents, data collection instruments, and a draft of the final report.

- Providing contact information with local librarians, government officials, users, and others who might participate in interviews, focus groups, site visits, or other aspects of the project.

- Arranging various logistical, scheduling, and other matters related to needs assessment, data collection, field-testing, organizing, and completing the project.

Additionally, the PAC worked directly with the study team and assisted in collecting and analyzing statewide statistics, reviewed policy analysis of state laws affecting public libraries, operated a project website <http://WWW.kpl.gov/plfig/>, administered surveys and other data collection instruments, and reviewed draft versions of project reports. Members of the PLFIG and the PAC contributed directly to completing project activities.

Improving Public Library Funding in Michigan

Clearly, public libraries in Michigan are under a range of pressures and demands to maintain and improve the delivery of information and services. These forces must be addressed if public libraries are to be successful in the new millennium. Perhaps the most important issue will be the degree to which public libraries can secure sound and continuous funding. Funding issues related to securing a good mix of local support, state aid, and state-based funding mechanisms will be critical to produce an environment where libraries can plan strategically for successful provision of both traditional and networked services.

The decision to implement any new approach for public library funding will require local officials, community members, the public library community, library cooperatives, the state library, and the state government to promote equity and stability in library service funding throughout the state. Additionally, it will be important to introduce legislated mandates for specific standards that must be met in order to receive state funds. Ultimately, it will be necessary to create comprehensive new legislation to increase statewide library funding and leverages local funds.

The findings and recommendations offered in this report address a range of obstacles to equitable and stable funding of Michigan's Public Libraries. The proposals suggested for facilitating equitable, stable revenue streams enabling library growth and development are outlined in Chapter Seven. Successful implementation of these recommendations will require the full participation of all involved parties in order to effect change within the state of Michigan. Change is possible, however, and public library funding in Michigan can indeed be improved.

Chapter Two

The Current Context of Michigan Public Library Funding

Introduction

This chapter offers a synopsis of the overall context of public library funding in the State of Michigan, and emphasizes the existing inequities and instabilities of the funding structure. A broad overview of the legislatively defined limited role of LM is also provided. Naomi Krefman, of the Library of Michigan (LM), provided much of the data and charts used in this chapter. The examination of the current context of public library funding in Michigan underlines the need for a unified effort on the part of Michigan's public libraries and library community to lobby for state funding and provision of quality library services for all of the citizens of Michigan.

Current Context of Funding for Michigan Public Libraries

Michigan public libraries receive financial aid from three main sources: (1) State Aid; (2) Local Support; and (3) Penal Fines. This section of the report addresses these three revenue streams in detail, and highlights their inequities and instabilities. Michigan's public libraries receive some federal funding; however, for the past three years (1997-1999), federal funding for Michigan's public libraries has accounted for an average of only 0.53% of overall operating income (Library of Michigan, 2000a). Therefore, federal funding is not discussed in this chapter.

The Library of Michigan

The Library of Michigan's (LM) responsibilities include the coordination of public libraries throughout the state, the provision of library service to the state legislature and its staff, and serves as an access point for state citizens to obtain government publications. These roles are performed through electronic and traditional library services.

LM does not serve as a State Library Agency in the traditional sense; its function within Michigan is comparable to the role of the Library of Congress in relation to the United States government. The role of LM is limited in that it cannot act as an advocate for public libraries. It also cannot labor within the legislative system for public library funding. In fact, there currently exists no single, official state agency representing Michigan public libraries as an advocate for funding.

Michigan State Funding of Public Libraries

Public Libraries receive funding from the state through direct aid, indirect aid, and library cooperative aid. State funding is in the form of grants for which public libraries must apply. To receive state funding a public library must meet three guidelines: (1) maintain local support equaling 0.30 of a mill; (2) maintain a minimum number of hours it is open each week, and (3) maintain a specific number of certified personnel holding a Master of Library Science (MLS) degree from an American Library Association (ALA) accredited school. The details of these guidelines may vary depending on the classification of the public library, which is based on the population of the service area.

Importantly, the specific guidelines for obtaining state aid in no way represent criteria for the provision of services to library patrons. In other words, citizens of the State of Michigan are not guaranteed a minimal standard or quality of public library service.

Direct Aid

The 1977 Michigan State legislature enacted Public Act 89, which authorized a payment of $0.50 per capita in direct aid to public libraries (a thorough discussion of Public Act 89 appears in Chapter Four). Unfortunately, it was not until 1999 that public libraries received the full allotment of $ 0.50 per capita dictated by the law. Therefore, for the past twenty-two years, public libraries have operated with fewer dollars than the 1977 legislature deemed appropriate for meeting the needs of Michigan citizens at that time. Although, this allotment is finally fully funded, funding at 1977 standards is simply not enough. PA89 certainly does not address twenty-two years of inflation.

In Table 2.1, column two shows the actual funding received by Michigan public libraries. The third column depicts the amount of funding public libraries should have received had PA 89 been fully funded as per the intent of the 1977 legislature. Column four presents the calculated amount of funding public libraries would have received had inflation been taken into account. Column five shows the estimated gap in the amount of funding.

Table 2.1 ***State Funding Provisions Under PA 89***

Year	Actual Disbursements	Statutory Disbursements	Statutory Disbursements Adjusted for Inflation	Estimated Gap in Funding
1978	$7,095,766	$13,322,739	$13,855,648.56	$6,759,882.56
1980	$6,797,901	$13,893,066	$15,481,580.41	$8,683,679.41
1985	$8,364,660	$13,893,066	$20,994,224.70	$12,629,564.70
1990	$9,656,050	$13,942,931	$25,947,806.55	$16,291,756.55
1995	$12,876,274	$13,942,931	$32,508,456.89	$19,632,182.89
1998	$14,145,900	$13,942,931	$36,317,641.02	$22,171,741.02

Numbers and table supplied by the Library of Michigan

The funding discrepancy between legislatively authorized funding under PA 89, actual funding received, and the calculated funding if inflation had been taken into account is further illustrated in Chart 2.1. Operating under the assumption that a total of $1.50 per capita in state funding was appropriate to provide public library services in 1977, it would stand to reason that provision of the same level of services in 2000 would necessitate calculating inflation into the funding formula. Based on 1998 figures, this amounts to state aid of about $3.90 per capita.

Chart 2.1 ***State Funding Provisions Under PA 89***

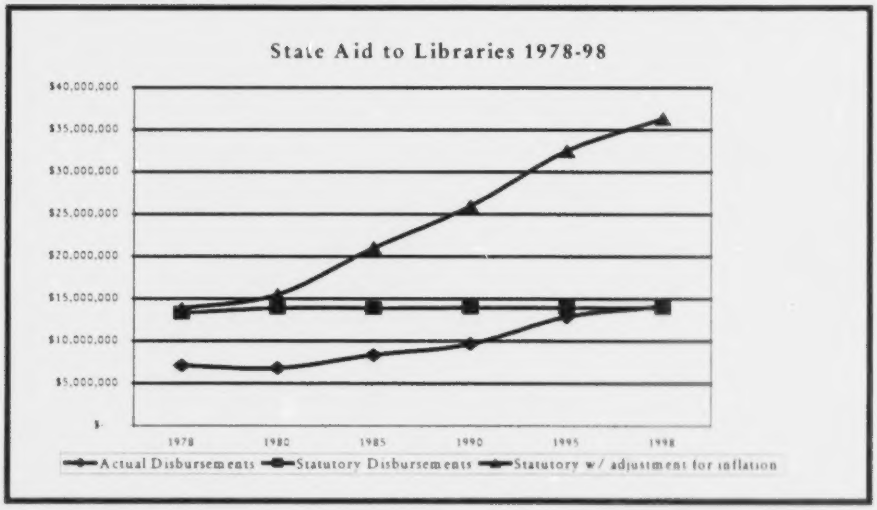

Chart provided by the Library of Michigan

Indirect State Aid

Under PA 89 the State legislature authorized public libraries to receive an additional $0.50 per capita if they are members of a library cooperative. Currently there are fourteen cooperatives operating in the State of Michigan. A portion of this indirect aid is utilized to purchase services from the cooperative, while the remaining portion is retained by the public library for local library operations.

Three aspects of indirect aid, commonly referred to as "swing aid," contribute to the inequity and instability for Michigan public library funding. First of all, there are no guidelines, criteria, or requirements concerning the manner in which swing aid is distributed between the local library and the cooperative. Often, the lack of criteria in this matter results in a disparity in the amount of swing aid revenue available for local operations. This amount can depend on the cooperative to which the public library belongs. A second and related aspect of swing aid leading to inequity and instability is the lack of guidelines regulating which cooperative a public library can join. Coupled with the lack of swing aid distribution guidelines, this creates significant confusion regarding distribution of state aid under PA 89. The system has caused cooperatives to compete with each other for funding, rather than having encouraged a partnership to serve the citizens of Michigan. Finally, there are no guidelines, requirements, or criteria governing the services that cooperatives offer to public libraries for purchase with swing aid dollars. This can create a decrease in the quality of public library services to Michigan's citizens overall. Additional discussion on swing aid is provided in Chapters Four and Five.

Library Cooperative State Aid

In addition to providing swing aid to be spent, at least in part, on purchases of services from cooperative libraries, the state provides funding directly to cooperatives. Library Cooperative Direct Grants provide $0.50 per capita for the population within the cooperative's designated service area. Library Cooperative Direct Grants are important in equalizing funding across the State.

Other grants are also available for cooperative libraries in Michigan. For example, if a cooperative's service area has a density of less than 75 people per square mile, the cooperative is eligible to apply for a Library Cooperative Density Grant. This grant provides the library with an additional $10.00 per square mile contained within the designated service area.

Additional State Support

In addition to the state aid discussed, funds are provided to operate the Library of Michigan (LM). This revenue applies to operational, building, and automation costs, as well as services for blind and handicapped residents, book distribution centers, regional library subsidies, and renaissance zone reimbursements.

Table 2.2 chronicles the various public library state aid appropriations for year 2000. For more information on state aid see Appendix II.

Table 2.2 ***State Funding Summary***

Library of Michigan General Operations	$8,117,600
Library of Michigan & Historical Center Operations (Operational costs of the building)	2,787,600
Library Automation	728,400
Library of Michigan Subtotal From State:	11,633,600
State Aid to Public Libraries	14,350,700
Book Distribution Centers	313,500
Subregional Libraries for the Blind and Physically Handicapped	554,300
Wayne County Public Library for the Blind and Physically Handicapped	49,200
Detroit Public Library	5,871,600
Grand Rapids Public Library	406,400
AccessMichigan/Michigan Electronic Library Programs	650,000
Renaissance Zone Reimbursement	428,800
Public Library State Aid:	**22,624,500**
Total State Aid:	**34,258,100**

From *Finance Study Committee Report to the Public Library Funding Initiative Group* p.10

Local Support

One stipulation for the receipt of state aid by public libraries is tangible local support equivalent to 0.30 of a mill. The majority of local funding support comes from voted millage on property, penal fine disbursement, and local appropriations. These are discussed below.

Local Millage

The assessment and provision of local millage has proven to be both inequitable and unstable. Contributing to this instability has been changes to millage calculation formulas over time. For example, the Proposal A was approved on March 15, 1994. It amended the state constitution and instituted a two-tier system of property valuation in Michigan. Instead of property taxes being applied to the assessed or resale value of the property, the tax value of the property is calculated based on the purchase price plus the inflation rate or 5% which ever is lower. This is important because it decreases the amount of funds available for operating the public library and providing services to its constituents. In 1999, the statewide taxable value of property was about 228 billion dollars, while the assessed property value was about 261 billion dollars (see Appendix II).

In addition to the two tier system of millage calculation creating a loss of revenue, numerous laws have been passed limiting the number and types of properties that are assessed. Tax Increment Financing Authorities (TIFA), Downtown Development Authorities (DDA), and other tax capture programs constitute a threat to public library funding by decreasing the total amount of millage collected by the local government. For example, although created as incentive programs to encourage strengthening of local infrastructure, TIFAs, DDAs, and other programs often remove new growth within communities from the general tax rolls. Levies are then used for improvements within the TIFA and DDA boundries, rather than being applied to the original voted purposes of school, library, and senior services. Therefore, despite Michigan law mandating 0.30 mills for public libraries, when overall millage collection decreases, the amount of funding received by the public libraries also decreases.

Examples of laws that have created these taxing districts include Renaissance Zones, Technology Park Facilities, and Brownfields. Although the state has allocated funding for Renaissance Zones reimbursement, it has not addressed the decrease in funds as a result of other property tax limiting laws. A complete listing and description of these laws is available in Chapter Four of this document; they are also addressed in Chapter Five as part of the Library Directors' Survey.

Supporting public libraries through tax millage assessment has also proven to be inequitable from one locality to another on a per capita basis. The average per capita tax support based on one mill assessment in Michigan is $22.74. This information is available in the Finance Study Committee Report To PLFIG, Appendix II. However, areas with high populations, such as inner cities, may have a lower per capita property tax than suburban areas. For example Detroit has a $6.77 one mill valuation per capita for its approximately one million residents, while Mackinac Island has a high of $275.44 one mill valuation per capita for its 469 residents. Table 2.3 identifies clear discrepancies and inequities in the valuation of a mill in different political jurisdictions across Michigan. Additionally, a complete list of the value of one mill per capita in FY 1999 in available for each library jurisdiction in Appendix III.

Table 2.3 ***Selected Comparisons of Millage Value Per Capita (Based on FY 1999 Reports to the Library of Michigan)***

Library	*Value of One Mill*	*Population*	*Value of One Mill Per Capital*
State Average			22.74
Adrian	318,193	22.097	14.40
Ann Arbor	4.231.700	136.894	30.91
Bridgman	715.547	4.627	154.65
Chippewa River	762.597	54.616	13.96
Dearborn	3.651.177	89.286	40.89
Detroit	6.955.217	1.027.974	6.77
East Lansing	565,663	50,677	11.16
Flint	1.647.860	140.286	11.70
Grand Rapids	3.113,320	189,126	16.46
Interlochen	109.807	3.677	29.86
Mackinaw Island	129,180	469	275.44
Maple Rapids	77,357	4.392	17.61
Menominee	133.237	10.585	12.59
New Buffalo	434.887	6.595	65.94
Pontiac	876,120	71,136	12.32
Rochester Hills	3.125.967	77.123	40.53
Traverse City	2.184,613	70.284	31.08
Troy	3.954.663	72.884	54.26
White Pigeon	139.130	5,160	26.96
Ypsilanti	1.423.307	77.0095	18.46

Funding initiatives based on tax millage must take into account the inherent inequity of these assessments across the state. Furthermore, library reliance on voted millage support (as a percentage of total operating income) must be taken into consideration (Please see Appendix IV).

Appropriations

In addition to local millage funding, local governments have the option to supply public libraries with additional revenue through local appropriations from general funds. The state does not mandate this type of funding (which has been declining over the past couple of years) and it is fully at the discretion of local governments.

District Libraries

Not all municipalities in Michigan have a public library, and in these cases municipalities may form contractual agreements with public libraries in other municipalities to provide library services. The contractual agreements can be funded through voted tax millage, appropriations, and penal fines, but sometimes public libraries

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have difficulty collecting enough revenue to cover the cost of the additional services. Library Boards have the option of increasing their legal service area by becoming a district library, and thus increasing the amount of area, which must provide 0.30 mills to cover library services. To do so, a library board may place the initiative on the ballot for a vote by the local residents. Contractual agreements are more fully covered in Chapter Four of this report.

Penal Fines

Michigan law allows for the collection and utilization of penal fines to fund public libraries. These laws have been undergoing a series of alterations since being passed as a constitutional provision in 1835. Further discussion of penal fines is found in Chapter Four.

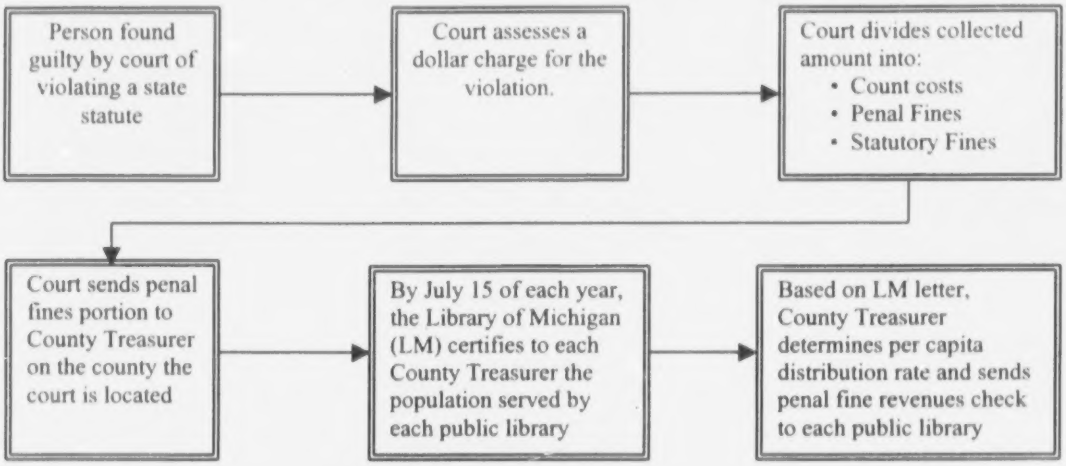
Penal fine revenue is highly controversial and confusing, and represents an inequitable and unstable revenue mechanism for Michigan's public libraries. However, penal fines are an important part of public library funding. The following section will clarify the various issues surrounding the use of penal fines for public library funding.

How Does Penal Fine Funding Work?

The Michigan Constitution requires that all fines collected for violations of the state penal code be distributed by the county treasurer to public libraries whose contractual areas reside within the county boundaries on a per capita basis (Penal Fines Distribution Act, 1964). This funding mechanism was further expanded to allow for the distribution of penal fines to public libraries residing outside of the county or in other political jurisdictions, which contract with the county to provide library services to county residents (The Penal Fines Act, Section 5).

The process of penal fine collection and distribution is illustrated in Chart 2.2.

Chart 2.2 ***State of Michigan Penal Fine Revenue Flow Chart***


Person found guilty by court of violating a state statute
Court assesses a dollar charge for the violation.
Court divides collected amount into:
• Count costs
• Penal Fines
• Statutory Fines
Court sends penal fines portion to County Treasurer on the county the court is located
By July 15 of each year, the Library of Michigan (LM) certifies to each County Treasurer the population served by each public library
Based on LM letter, County Treasurer determines per capita distribution rate and sends penal fine revenues check to each public library

Note: To be eligible for penal fine funds, a library must be legally established under state statute and must be open at least 10 hours per week.

This chart was provided by the Library of Michigan

Public Library Dependency on Penal Fines

Some political jurisdictions have opted to provide public library funding based strictly on penal fine revenues, and not supported by millage. In 1999, seventy-six libraries or nearly 20% of all public libraries in Michigan, received no millage funding, and were totally dependent on penal fine revenue streams (See Appendix II). Recommended changes in public library funding structures in Michigan must take this dependency into account. Specific information on individual library reliance on penal fines can also be found in Appendix V.

Inequities and Instabilities

Several inequities are associated with penal fine revenue. The first, quite simply, is that not all counties have an equal amount of penal fines assessed. The average per capita penal fine in 1999 was $3.05; the highest was in Mackinac County at $17.13 per capita, and the lowest was in Genesee County with $1.05 per capita (Library of Michigan, 2000b). This example illustrates the inequalities of the collection and distribution of penal fines across the state.

Further confounding the situation is the instability of penal fine revenue. Although the overall revenue generated by penal fines on a statewide basis has been increasing ($2.34 per capita in 1990, and $3.05 in 1999), a system that depends on individuals breaking the law cannot guarantee a precise collection of fines (Library of Michigan 2000b). Furthermore, the trend showing annual increases in collected penal fine revenue does not begin to keep pace with the rate of inflation over the same time period.

In addition to issues already considered, the distribution of penal fines has further eroded their ability to provide equitable and stable funding. Court costs are assessed in addition to the fines collected, and can vary from jurisdiction to jurisdiction. Courts in Michigan retain between 40% and 90% of the total of all fines and costs combined. (Jen, 1999). The legislature has also appended further assessments on fines which decreased the amount of the fine available to public libraries. These assessments include Highway Safety Fund, Secondary Road Patrol and Training Fund, and Michigan Justice Training Fund.

Summation of the Context of Michigan Public Library Funding

The mechanisms through which Michigan funds its public libraries, as well as some inconsistencies associated with these funding mechanisms, have been reviewed in this chapter. In the following chapter, the focus will shift to how Michigan compares with her peer states in the provision of public library funding and library services.

On the following page are two tables that compare Michigan to other states in the region. Table 2.4 presents a comparison of Michigan's funding with Illinois, Indiana, Ohio, Wisconsin and the national averages. Although the overall operating income provided by local governments to fund Michigan public libraries appears comparable with other states in the region, Michigan is well below the national average of 9.4% in operating income from state government sources. Michigan's state support to public libraries (at 5.6%) is 68% below the national average.

Table 2.4 ***Regional Comparative Data FY 1997***

Averages				
	% of Operating Income from Local Gov't	**% of Operating Income from State Gov't**	**% of Operating Income from Federal Gov't**	**% of Operating Income from Other Sources**
Illinois	71.6%	11.4%	1.3%	15.7%
Indiana	83.9%	8.8%	0.2%	7.2%
Michigan	**82.9%**	**5.6%**	**0.9%**	**10.6%**
Ohio	7.2%	82.9%	0.8%	9.1%
Wisconsin	89.3%	1.1%	1.3%	8.3%
National	73.8%	9.4%	1.0%	15.8%

Chart provided by the Library of Michigan

The data in Table 2.5, Per Capita Library Statistics for Michigan and Surrounding States, contains data comparing Michigan's public libraries on a per capita basis with Illinois, Indiana, Ohio, Wisconsin, and the National average. On a per capita basis, Michigan falls behind the four comparison states in operating income, visits, circulation, and operating expenditures. Even though Michigan's public library operating income is similar to the nation's average on a per capita basis, this only provides for marginal library services as illustrated by the low library visits and circulation per capita. With more funding leading to better services for the citizens of Michigan, people would use public libraries more often. The goal must be to provide Michigan's citizens with above average, high quality, technologically advanced services with broad band connectivity, the latest in print resources, and exemplary staff training.

Table 2.5 ***Per Capita Library Statistics for Michigan and Surrounding States***

Regional Comparative Data FY 1997					
		Per Capita			
	# Public Libraries	**Library Visits Per Capita**	**Circulation Per Capita**	**Operating Income Per Capita**	**Operating Expenditures Per Capita**
Illinois	622	5.2	7.9	$ 38.58	$ 33.51
Indiana	238	5.7	10.7	$ 36.41	$ 34.84
Michigan	**383**	**3.5**	**5.4**	**$ 23.93**	**$ 22.01**
Ohio	250	4.1	12.6	$ 47.02	$ 39.62
Wisconsin	381	5.2	9.2	$ 25.50	$ 24.85
National	8,796	3.6	6.4	$ 23.75	$ 22.14

Chart provided by the Library of Michigan

This chapter has reviewed the existing context of Michigan's public library funding, the instabilities, and inequities associated with its funding mechanisms, and how

Michigan compares to other states in the region. In the following chapter, public library funding strategies and mechanisms in Ohio, Pennsylvania, and Florida are addressed.

Chapter Three

Examining Peer State Public Library Funding

Examining Peer State Funding Models

An important step in the process of examining the context of public library funding in Michigan has been the identification and evaluation of existing, successful, funding models in Michigan's peer states. Analysis of these successfully implemented funding structures will support the development of viable models for execution in Michigan. The models examined in this section are those implemented in Ohio, Pennsylvania, and Florida.

The Florida Model

Florida was chosen as a peer state for Michigan based on the state's achievements in establishing an efficient public library funding structure. The following discussion of Florida's model identifies and evaluates its benefits, as well as its relevance regarding stable and equitable funding issues. Also, mechanisms with the greatest applicability to Michigan libraries are highlighted.

Florida state aid to libraries is based upon the coordination of library services on a regional basis, in order to provide consistent plans, programs, and policies in library operations and services. Since its legal inception in 1961, state aid in Florida has supported the development of county libraries. According to the *State Aid to Libraries Guidelines,* "the program has been built on strength and larger units of service where tax support can be more broadly distributed"

State aid is annually appropriated in the budget of the Division of Library and Information Services, Florida Department of State. As authorized by Chapter 257 of the Florida Statutes, state aid involves four types of grants: operating, equalization, multi-county, and establishment. Libraries apply for grants and must meet certain criteria to receive awards.

State Expenditures for Public Libraries

To be awarded state grants in Florida, libraries must meet specific eligibility requirements. The first of these requirements is that a county must designate a single library administrative unit and a governing body (two or more local governments may join to establish a consolidated library or public library cooperative). The governing body, then, must appoint an administrative head, who is responsible for developing and implementing annual and long range plans as well as budgets for all library outlets. At least $20,000 of the operating budgets of library outlets must originate from local sources, and awarded funds are expended centrally by the administrative head. Importantly, libraries receiving funds must provide free services to all residents of the area served, and at least one outlet must be open 40 hours or more each week.

Florida's grant program is incentive-based. All grants are distributed according to the level of local funds invested. Available grants, and award requirements, are described below.

Operating Grants

Operating Grants are available to any library that meets state aid eligibility requirements. For the first two years, the grant matches local funds expended centrally for library operation and maintenance. Thereafter, the grant provides a match of up to \$.25 on each local dollar. If the legislature does not fully fund this grant category, awards are distributed on a prorated basis. In 2000, funding levels allowed for Operating Grants to pay \$10.49 per local dollar.

Equalization Grants

Fully funded each year, these grants are awarded to counties that qualify for an Operating Grant, and that have limited tax resources. To qualify, counties must be below the state average for both the adjusted value of one mill, and the per capita local library support. An equalization formula factors the relationship of the county's taxable value to the state average, and uses this factor to adjust the value of the local funds that are expended. Equalization Grants match up to \$.25 on the dollar for adjusted local expenditures. If counties provide a mill equivalent that is higher than the statewide average, then the grant matches \$.50 on the dollar. Therefore, the state is rewarding counties, which make library funding a priority, despite limited resources.

Multi-county Library Grants

Multi-county Library Grants match local expenditures and provide base funding if three or more counties are involved in one grant (a minimum of \$250,000 are awarded for three or more participating counties). Matches of up to one million dollars are made on centrally expended local funds. The level of the match is based on how many counties are participating. Two counties receive \$.05 on each local dollar, three counties receive \$.10, etc., up to \$.25 for six or more participating counties. Base grants of Multi-county Library Grants must be used to support multi-county services, and they are fully funded each year.

Participating counties must meet Operating Grant qualifications, and each county must designate a single library administrative unit. Multi-county Grants are for libraries choosing to combine resources for the provision of library service. Combined counties must serve at least 50,000 people or more, or have at least three participating counties.

Establishment Grants

Establishment Grants are awarded to counties that meet Operating Grant standards, and may be awarded in addition to Operating and Equalization Grants. The maximum award is $50,000, and is granted for one year only. Establishment Grants are not available to multi-county libraries, and are fully funded annually.

Construction Grants

Florida awards a 100% match for local dollars designated for library construction, subject to application approval. The maximum total award is $500,000; minimum matches are $10,000. The building to be constructed must be at least 3,000 square feet.

Table 3.1 displays the total amount of grant funding distributed to public libraries in Florida during the 1999-2000 Fiscal Year.

Table 3.1 ***State Grant Totals to Public Libraries in Florida (FY 1999-2000)***

Operating Grants	$25,560,600
Equalization Grants	$3,542,000
Multi-county Grants	$2,247,400
Establishment Grants	$50,000
Construction Grants	$5,242,900
	Total: $36,642,900

Evaluating the Florida Model

Florida's model has two overriding themes: (1) centralizing library operations and services; and (2) providing incentives for local government funding. Florida has supported centrally operated library facilities for the better part of the 20th century, and the state aid model reflects this emphasis on regional service. In fact, all funds, including those provided by individual local governments, are expended at the county level. Even state grants are directly related to the level of local government support.

Florida's Multi-county Grants encourage counties to band together, further reinforcing centralized systems; the more counties participating, the higher the state match. Nine multi-county systems currently exist in Florida, comprising 29 of 67 counties (1998 figures). With Multi-county Grants earmarked for regional services, thirty nine percent (39%) of Florida counties have chosen to form service cooperatives. Michigan might consider a similar program to reform the current mechanism for library cooperatives. However, Michigan has few county libraries to assume the administrative role that cooperatives currently serve, so cooperatives would remain essential for administrative purposes (county libraries could consolidate into municipal libraries as well).

Florida's equalization formula is forward thinking, particularly in its rewards for communities which make libraries a high spending priority despite limited resources. In fact, libraries receive twice as much equalization revenue if they spend above the state mill average on libraries, even if the value of a local mill is below state average. Given the wide fluctuation in the value of a mill in Michigan, this is worthy of consideration for Michigan public libraries.

Importantly, Florida has expressed the priority it places on funding public libraries by establishing grants that take into account the scope of political threat. Ideally, state aid is funded fully; however, the political reality of library funding is recognized in Florida, and the state acts upon its concern for public libraries. State aid is an annual state appropriation, yet Florida has mandated the yearly funding of Equalization, Multi-county, and Establishment grants. Operating Grants are the only category of grants subject to funding threats.

The Ohio Model

Based on the state's regional correlation with Michigan, as well as its achievements in establishing an efficient funding public library structure, Ohio was chosen as a model to examine. This summary identifies and evaluates the benefits and limitations of the Ohio model and its relevance to the stable and equitable funding of public libraries in Michigan.

State Funding for Libraries in Ohio

Ohio public libraries receive financial support from three main sources: (1) the Library and Local Government Support Fund; (2) local tax levies; and (3) programmatic and grant support from the state library, including funding for regional systems. These are examined in detail as follows.

1. Library and Local Government Support Fund (LLGSF)

Prior to the creation of LLGSF, libraries were funded primarily through an intangibles tax, where per capita spending ranged from $1.25 to $30 among municipalities. Passage of the founding legislation took several years and LLGSF became effective in January 1986. This original legislation allocated 6.3% of state income tax to directly fund public libraries (this level was reduced to 5.7% in the early 1990s). By Fiscal Year 2000, LLGSF provided approximately $457 million to public libraries in Ohio.

LLGSF provides 50% to 95% of local library budgets, and its funding level has increased between 8% to12% each year since its inception. Each month, the state tax department distributes 5.7% of the state's total income tax to the eighty eight counties in Ohio. The county budget commission (comprised of the county treasurer, auditor, and prosecutor) distributes the money among libraries within its jurisdiction. Importantly, the state library is not involved in allocating LLGSF monies. Each library receives a guaranteed share, which equals the amount received in the previous year, plus an increase for inflation (based on the Consumer's Price Index). An equalization formula is used to distribute the excess funds. Libraries that received the lowest amount per capita in the previous fiscal year receive an additional share.

2. Local Tax Levies

Tax levies vary among municipalities, and account for 5% to 50% of individual library support. This amount is influenced by the number of libraries in each county that share LLGSF funds. In counties with few libraries, LLGSF monies may comprise the majority of the library budget; in counties with many libraries, each library receives a smaller portion of LLGSF. In the later cases, local taxes are utilized to supplement LLGSF funds.

3. State Programs

Ohio does not supply direct state aid to public libraries in the traditional sense. However, there are state-sponsored programs designed to benefit public libraries. These include the following: (1) Access to networked resources including Ohio Public Library Information Network (OPLIN), with $5.5 million expended in Fiscal Year (FY) 2000 on Regional Libraries for the Blind and an additonal $2 million spent on the seven Regional Library Systems; (2) Funding of regional library systems, with $2 million expended in FY 2000; and (3) Competitive LSTA Grant awards distributed by the states, with $4 million distributed in FY 2000.

Table 3.2 *State Program Expenditures (FY 2000)*

Program	*Category*	*Dollar Amount*
Access to Networked Resources	OPLIN	$5.5 Million
Regional Libraries	Regional Libraries for the Blind	$2 Million
	Regional Library Systems	$2 Million
LSTA Funded Grants	Federal Grants distributed at the state level	$4 Million
		Total: $13.5 Million

Additional Factors in the Ohio Model

Two additional factors are important when considering the applicability of Ohio's public library funding model in the state of Michigan. These include governing structure and performance standards.

The majority of Ohio public libraries have the same governing structure. Since the formation of municipal libraries was capped in 1977, County District Libraries are the only new libraries that may be formed in Ohio. As a result, 64% of Ohio counties have county district libraries (56 of 88 counties). Only forty municipal libraries and four township libraries exist in the entire state.

Standards for Public Library Service in Ohio, published by the Ohio Library Council in 1998, sets the service standards for every public library in the state, regardless of size. It specifies the types and level of service that every Ohio resident can expect to receive, and provides guidelines for library management. Funding is not contingent upon meeting these standards; the performance standards simply serve as a useful planning and evaluation tool for library directors, trustees, and local officials.

Evaluating the Ohio Model

In terms of total dollars provided to public libraries, the Ohio model has been extremely successful. Libraries have witnessed significant increases in per capita spending, in some cases, tenfold or greater. Ohio public libraries are among the best funded public libraries in the United States. Although individual libraries have considerable flexibility in the way that funds are spent, performance standards prepared by the Ohio Libraries Council put forth a vision of excellence for service and management to provide each citizen with exemplary library experiences.

According to Lynda Murray, of the Ohio Libraries Council, Ohio's LLGSF has succeeded for several reasons. First, the law put public libraries on a par with public schools by providing a stable revenue stream. Second, LLSGF is part of permanent law, which shields it from political attack; even though the tax percentage was reduced from its original level, Ohio libraries do not endure a yearly budget process initiated by the Governor's office. Finally, Ohio implemented funding changes incrementally over time, which gave libraries, and their political supporters, time to adjust to the new paradigm.

The absence of direct state aid represents a significant departure from traditional state funding models. Ohio's primary funding mechanism is state income tax distributed at the county level. Local taxes supplement budget shortfalls, while LSTA Grants, distributed by the state, are available for funding additional projects. Furthermore, the state library provides access to electronic networks and regional libraries. The benefits of uniformity in the governing structures and the funding tools also benefit library users.

The stability of the Ohio model does rely on the health of the economy. However, LLGSF has been in place since 1986, and although no safeguards exist for severe economic circumstances, it did withstand a recession in the early 1990s. The potential for financial instability is somewhat mitigated by the predominance of county district libraries and the strength of the regional systems. The uniformity of these governing structures may allow for increased provision of cooperative services in times of economic downturn. The benefits of uniformity in the governing structures and the funding tools also benefit library users.

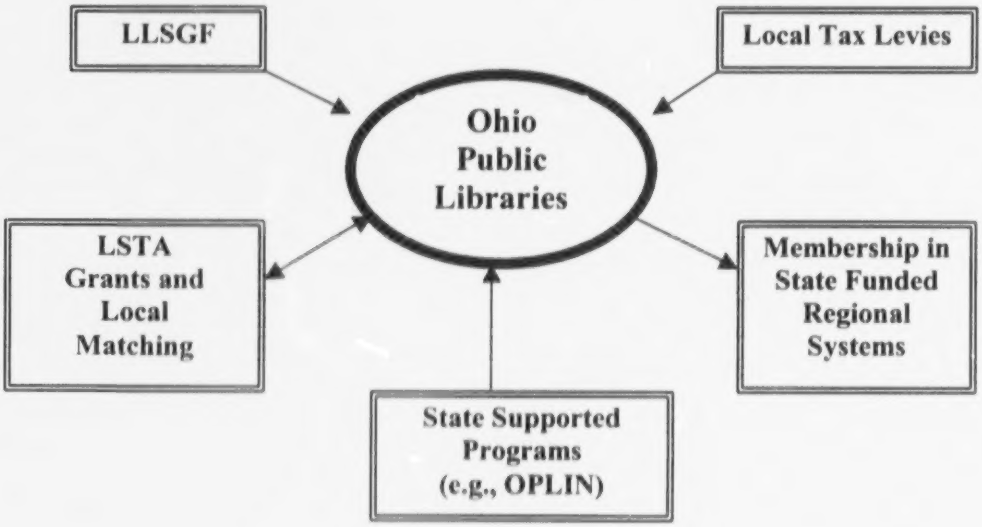
Furthermore, Ohio's equalization formula is quite different from other states. Libraries that receive the lowest per capita LLGSF allocation one year receive an extra share in the next year, provided that the income tax generates enough funds for extra money to exist (once the base funds have been distributed). Other state equalization formulas provide funds directly to libraries based upon economic criteria. However, this raises a question regarding whether the wealthier communities in Ohio really require this benefit. Furthermore, Ohio's equalization funds are not protected if the income tax falters.

From a funding and administrative perspective, this model may be appealing for Michigan libraries. The funding sources and distribution formulas are relatively straightforward; the state provides a portion of income tax, and municipalities make up the difference. The economy has been strong for several years, and, as a result, Ohio libraries have healthy operating budgets. If the Michigan legislature were to agree to use income tax to fund libraries, this would ease the financial pressure that has been created by Proposition A and Headlee, as well as other threats, including municipal finance reform.

Importantly, Ohio's model took at least six years to implement. First, it was necessary to achieve consensus among Ohio librarians; then, the legislature needed convincing that the model was sound. From an implementation perspective, the recreation of this model in Michigan might be disastrous. As evidenced from other aspects of this study, Michigan libraries do not have a history of working together cooperatively. Although this study signifies that the situation may be changing, the Ohio model would essentially scrap Michigan's entire funding system as it currently exists. It is doubtful that the existing library network would easily support or sustain this degree of change.

Finally, the Ohio model relies on strong regional library systems, whereas Michigan prides itself on local control. Under the Ohio model, state library funding would be distributed by county boards. Library communities in Michigan must ask some difficult questions. For example, (1) Are municipal libraries in Michigan prepared to give up this control, and how would district libraries fit into this scenario? and (2) Until Michigan libraries gain each other's trust, and the legislature's confidence, would it be better to follow a plan that builds on Michigan's existing strengths to achieve funding equity and stability? The Ohio model may present too great a departure, given the current political climate in Michigan.

Figure 3.1 ***A Visual Model of Ohio Public Library Funding and Program Support***


LLSGF
Local Tax Levies
Ohio Public Libraries
LSTA Grants and Local Matching
Membership in State Funded Regional Systems
State Supported Programs (e.g., OPLIN)

The Pennsylvania Model

Based on the state's regional correlation with Michigan, as well as its achievements in establishing an efficient public library funding structure, Pennsylvania was also chosen as a model to consider for application in Michigan. This summary identifies and evaluates the benefits and limitations of the Pennsylvania model and its relevance to stable and equitable funding issues. It also presents the benefits of the Pennsylvania model, and highlights those mechanisms with the greatest applicability for Michigan libraries.

State Funding for Pennsylvania Public Libraries

Between 1999-2000 and 2000-2001, Pennsylvania's state aid to public libraries formula was revised and the amount of aid increased over 100% (from $30,289,000 to $62,289,000). Direct aid and other state-funded programs currently provide nearly one-third of public library operating budgets. Since the 1960s, state funding for libraries, on a line item in the state budget, has increased an average of 2% to 3% every year.

Table 3.3 ***State Expenditures for Public Libraries***

	2000-2001
Direct State Aid	$62,289,000
Statewide Card/Reciprocal Borrowing Program Transaction compensation paid to public libraries based on the number of items circulated to non-resident borrowers.	$4,921,000
Regional Libraries for the Blind and Physically Handicapped	$2,879,000
Interlibrary Delivery System (IDS) This program cuts the cost of delivery to participating member libraries of IDS, a non-profit corporation. The state pays roughly half of IDS's operating budget. Membership is multi-type.	$500,000
POWER Library Online full text and graphical databases for school libraries and public Libraries. Funded through a state appropriation.	$1,750,000
ACCESS PENNSYLVANIA Database Supports the statewide on-line union catalog. FY 2000-2001 state funding has increased the number of participating libraries, and added some significant academic library collections. Most public libraries are on this database.	$4,041,000
Construction and Renovation grants Funded through a dedicated portion of a state tax, the realty transfer tax. This amount changes yearly depending on tax revenues.	$1,500,000

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Table 3.4 *Funds to Public Libraries in Pennsylvania (FY 2000)*

A *Total going directly and only to public libraries*		**B** *Totals for other state programs benefiting public libraries*	
$62,289,000	Direct State Aid	$500,000	Interlibrary Delivery System
$4,921,000	Statewide card	$1,750,000	POWER Library
$2,879.000	Regional Libraries for the Blind	$4,041,000	ACCESS PENNSYLVANIA
$1,500,000	Construction grant		
Total: $71,589,000		Total: $6,291,000	

Direct State Aid in Pennsylvania

Pennsylvania has 704 library service outlets receiving direct state aid, which includes independent, system, branch libraries, and bookmobiles. Of this total, 76 service outlets do not qualify for state aid. The following are the regional library systems existing in the state:

- Federated Library Systems
- District Library Centers
- Regional Libraries for the Blind and Disabled
- Regional Resource Center Libraries

Pennsylvania has introduced several different funding categories for libraries receiving state aid, as well as performance requirements for receiving that aid. These categories and requirements are as follows:

Local Library Aid in Pennsylvania

Local Library Aid consists of two funding tiers based on the level of local expenditures and the adherence to performance standards. Libraries that meet these terms are eligible or state aid distributed on a per capita basis.

Chart 3.1 *Local Library Aid in Pennsylvania*

Level I: Quality Libraries Aid
(Accounts for 47% of Local Library Aid distributed in 2000-2001)

Qualifications:

- Libraries must expend a minimum amount of $5 per capita in local dollars.
- Libraries must participate in interlibrary loan programming and the Statewide Card program, meet professional development requirements for the director, be open a minimum number of hours, and participate in the development of a coordinated county services plan. In addition, libraries must continue to meet the basic standards found identified in previous regulations.

Level II: Incentive for Excellence
(Accounts for 53% of Local Library Aid distributed in 2000-2001)

Qualifications:

- Libraries that expend between $5 and $7.50 per capita in local dollars receive an additional match from the state for every dollar or portion thereof expended between $5 and $7.50 In 2000-2001 the state match was 80¢ on the dollar.
- Meets Quality Library Aid standards, plus additional Incentive for Excellence standards: continuing education for all staff; 12% of the operating budget spent on collections; open specific hours. In addition, libraries must continue to meet the older minimum standards for local libraries or library systems, which are more stringent than basic standards and which are found in regulation.

County, District and Regional Aid ($21.5M)

County Coordination Aid refers to the funding provided by the state to match county tax dollars allocated to the county library or county library system. The size of the match is dependent upon a county's population, and ranges from 5% to 100%. Forty-one out of 67 counties in Pennsylvania have library systems, and each county is required to have a county library plan regardless of whether there is a county library system. Only ten counties (15%) have neither a system nor a county library. In those counties, the district library center has responsibility for facilitating the development of the county plan for library services.

District Library Aid refers to the funds supporting library development in specific geographical districts. Pennsylvania is divided into 28 districts, each of which may encompass several counties or only one. The state librarian, with the approval of the Advisory Council on Library Development, designates district library centers. District library centers are local libraries and are either independent or part of federated library systems. They are resource libraries providing specified services to local libraries and systems located within a geographic district. They receive $1.00 per capita for the population of their assigned geographic district, or a minimum of $200,000.

District Library Centers must meet performance standards including requirements for hours open, collections, staffing, provision of consulting services, interlibrary loan, delivery and other services to local libraries in the district. They are also required to negotiate their district budgets with local libraries and a state liaison. As part of the negotiated agreement, district library centers provide leadership, coordination and consultation to local libraries in the following areas: continuing education, library services to youth, library services to special populations, information technology and library automation, orientation and training for boards of directors of local libraries, library systems and district library centers.

Finally, four Regional Resource Center Libraries are located throughout Pennsylvania, with the intent that every resident is able to reach a research library in a one day drive. Regional resource center libraries also provide interlibrary loans and interlibrary references to public libraries. Funds are divided equally among the four libraries. In 2000-2001 each received $368,000.

Other Aid Categories

Equalization Aid reduces the amount of local funds a library must expend to qualify for Quality Libraries Aid. Equalization Aid is paid out in a combination formula that includes per capita payments for the population located in economically distressed municipalities, and flat grants to each library outlet serving an economically distressed municipality. In this system, libraries may spend $2 per capita, rather than $5 per capita, if they meet one of the following statewide parameters:

- lowest 5% property market value
- lowest 15% personal income
- highest 30% unemployment

However, "no local library or library system shall...receive in any year more than one-third of the total annual appropriation for equalization aid." (Title 24, Pennsylvania Consolidated Statutes, §4303)

Additionally, state aided libraries and library systems may qualify for grants for each library outlet. These Equal Distribution Grants, which are the same for each outlet, were intended to help build library collections. The size of the grant is determined by dividing the total amount available by the total number of libraries, branches and bookmobiles meeting standards. Currently, the Equal Distribution Grant is $2,300. To qualify, library outlets must expend twice the amount of the Equal Distribution Grant on collection materials. Additionally, library outlets must meet regulated basic standards.

Positive Impacts of State Aid Increases

The 2000-2001 increase in state aid has already produced measurable impacts in Pennsylvania's public libraries. According to a survey conducted by the state library in June 2000 (with a 96% response rate), local governments are responding to the state's incentive and are providing increased funds. Both state support and local support are enabling libraries to expand and improve services. The following are some of the response highlights from the state library's survey:

- As a direct result of the new state aid formula, in the first six months of the year, 24% of libraries (104 out of 427) report that their local governments have given, or promised, an increase in funding.
- During the first two quarters of FY 2000, circulation rose by 10% over the first two quarters of 1999.
- Collection expenditures are up 11%, with an additional $3.2 million budgeted for collections. Libraries are adding about 209,000 additional items to their collections, up 8% from last year.
- Public libraries have increased the number of hours they are open by 8%, with weekend hours up 39%. Additionally, 43 libraries out of 427 indicated that, as a result of the increased state funding, they expanded or initiated Sunday hours.
- Libraries provided more continuing education for their staff. The number of continuing education hours for library directors increased by 49%, from 5,471 to 8,131. Significantly more continuing education was available to other paid staff as well. The hours paid staff spent in training jumped from 33,285 to 65,722, an increase of 97%.
- Staffing has improved; an additional 232 full-time equivalent staff were added to public library complements (a 5.6% increase).
- Libraries added 1,245 public access computers (up 32% from the previous year). They also added 978 Internet workstations (up 38% from the previous year).

Evaluating the Pennsylvania Model

Pennsylvania's key strength is that its library formula ties direct state aid to performance standards, and it provides local governments with incentives to expand funding. Libraries and local governments must meet basic funding and performance criteria to receive any state aid. If they meet additional standards, the state provides an even higher match. Given the 24% increase in local funding commitments during the first six months of this program, municipalities clearly recognize that their local investment, compounded by the state match, results in better library service for their residents. Indirectly, this formula may be improving the dialogue between library directors and funding boards, since it provides a vehicle to communicate financial needs and service expectations.

In contrast, local governments in Michigan are required to provide a 3/10 mill equivalent in order to receive state library aid. However, the value of a mill ranges widely in Michigan, from under $10 to over $350 per capita. Because a 3/10 mill in one city is a grossly different figure in another, usage of mills as a qualification standard is not equitable. To complicate the issue, penal fines may be applied towards the 3/10 mill qualification, which reduces local government funding commitment even further. In cases where municipalities exclusively use penal fines to support libraries, residents receive library service with no tax burden. Penal fines are not distributed equally throughout the state, which results in an unfair situation. The Pennsylvania model offers a more equitable alternative, since all direct aid is tied to a combination of library performance and local government funding (based on a per-capita basis, rather than a mill basis). Michigan would benefit from a funding structure that encourages partnerships between libraries and fund providers, rather than antagonistic and competitive relationships.

Another important aspect of the Pennsylvania model is the recognition that libraries that do not meet basic performance requirements are not worth funding. Seventy-six Pennsylvania libraries fit this profile, and therefore, do not receive state aid. The state does provide an equalization factor that lowers the match requirement for libraries in disadvantaged areas. This eases the financial pressure for local governments that qualify, but keeps the focus on performance standards for libraries.

Conversely, Michigan's funding structure seems to emphasize providing library service to all, without much evaluation of the quality of service. Contractual areas, for example, allow townships to contract for library services rather than operate their own library. This program is intended to achieve efficiency in the provision of library services, but many contracting libraries are only interested in the additional money these contracts provide. Michigan libraries needs to define a library performance vision, which addresses individual library service requirements, as well as the role of regional library systems to meet the needs of municipalities without individual libraries.

Pennsylvania funds four regional resource centers in order to provide each citizen with access to state research facilities. The flat funding structure provides geographic equity to these state resources. In Michigan, Detroit and Grand Rapids receive additional funds for state-wide resource collections, and all residents may use the Library of Michigan in Lansing. Further examination is needed to determine whether this is an equitable allocation of funds based upon population density and research needs. However, residents of the Upper Peninsula are some distance from any of these locations.

Even if funding remains stable for the existing centers, at least one more state research center should be funded in the northern part of the state.

Finally, Pennsylvania allocates $5 million solely to reimburse library participation in the statewide reciprocal borrowing program. This encourages libraries to loan materials to non-resident borrowers, since they receive reimbursement based on the number of items loaned, not just the number of items lost. Statewide borrowing programs generally benefit residents of smaller library systems, since urban libraries have larger collections and their patrons borrow outside of their local system less frequently. Unfortunately, numerous Michigan libraries choose not to participate in Michicard, because the potential gain to their constituents is less than the cost of loaning materials to non-residents. The Michicard program could be more effective if the state provided a financial commitment to supporting libraries on a per transaction basis, in addition to reimbursement for lost materials.

Many aspects of the Pennsylvania model could help Michigan during its transition to more equitable and stable funding streams. For example, establishing performance standards could have numerous positive effects. This process would require libraries to define and commit to specific levels of service, which could bring cohesion to the library community as well as to end-users. Incentive-based funding would also appeal to a conservative legislature that wants to see measurable improvements in library service if appropriations are increased. Most importantly, Pennsylvania's formulas could be implemented in Michigan using existing funding structures, which would enable incremental changes to take place over time, rather than overhauling the entire funding scheme at once.

Overview

Reviewing the successful public library funding structures maintained by Michigan's peer states clarifies the need for Michigan to rethink its current public library funding paradigm. Certainly, the initiative demonstrated by Florida, Pennsylvania, and Ohio provides consistent and quality examples for how libraries in Michigan can accomplish their potential for exemplary service to individuals and communities if adequate, stable, and equitable revenue streams can be realized.

Hennen's American Public Library Rating (HAPLR) index ranks Michigan at number thirty when compared with the fifty states and the District of Columbia. Michigan's HAPLR rating has been posted on the Web at haplr-index.com, and the author has published his findings as well (Hennen, 2000). Despite criticism of the author's rating system, Michigan's minimally mediocre depiction is troubling. Certainly, demonstrating statewide commitment to Michigan's public libraries by addressing the equity and stability of funding will enhance the future rating of Michigan on the HAPLR. In doing so, the categories of Input Measures and Output Measures represented within the

HAPLR rating system will be improved in Michigan, facilitating advanced library service for the state's citizens. Furthermore, in doing so, Michigan's public libraries could be viewed as exemplary as opposed to substandard.

Chapter Four

Michigan Law Summary

Introduction

Over the course of its history, Michigan has passed some 28 laws that relate to library creation, governance, or funding. Additionally, a number of laws exist that pose a direct threat to public library funding. These municipal finance reform statutes involve tax abatements and other incentives intended to encourage economic development, but often lead to reduced library revenue.

This overview of the multitude of laws pertaining to Michigan public libraries is part of a broader study to identify stable and equitable sources of funding for the state's public libraries. Michigan laws were carefully reviewed and input was provided in a letter to PLFIG and the Information Institute from Cynthia Faulhaber, a Michigan attorney with a specialization in library law. The objective of this chapter is to introduce librarians, legislators, and library constituents to the complexities of the current web of laws determining Michigan public library operation and funding.

Addendum I categorizes the laws according to issue areas such as penal fines, contractual areas, etc. Importantly, this chapter attempts only a brief summary of some of these laws, and does not provide a comprehensive analysis of each law nor its impact on other laws or individual libraries.

Legal Establishment of Public Libraries

Michigan's laws allow municipalities to establish multiple types of public libraries (Johnson, 2000). Funding and governance structures differentiate the seven types of libraries, which include:

City libraries
Village libraries
Township libraries
County libraries
School district libraries
District Libraries
Regional Libraries

The many laws drafted which attempt to define the legal establishment of public libraries in Michigan contribute to the problems of ***ambiguity*** facing public libraries today. This multitude of laws have resulted in a plethora of methods for legally forming public libraries. In addition to the following list of laws addressing the legal establishment of public libraries in Michigan, libraries which were established by townships prior to the provisions of Act 164 have been "grandfathered" and are also recognized as legally established libraries.

The Fourth Class City Act (Act 215 of 1895)
The Home Rule City Act (Act 279 of 1909)
Regional Libraries Act (Act 250 of 1931)
  (rarely used, this act established regional libraries to be funded by counties)
The District Library Establishment Act (Act 24 of 1989)
  (provided for the establishment of district libraries, and addressed creating a library board)
City, Village, and Township Libraries Act (Act 164 of 1877)
  (provided for the establishment of city, village, and township libraries)
County Libraries Act (Act 138 of 1917)
Township and Village Libraries Act (Act 5 of 1917)
  (Creates township and village libraries)
State Aid to Public Libraries Act (Act 89 of 1977)
  (Established cooperative libraries and provided state aid to public libraries that participate in cooperatives)

Act 164 provides an ideal example of the inconsistencies and inequities underlying funding for public libraries. Under Act 164, guidelines for the establishment of city, township, and village libraries are outlined, and numerous factors compound the complicated link between library establishment and library funding. For example, combinations of all of the elements in each of the three categories listed below are considered within the dynamics of library establishment and library funding:

Millage

- Rates
- Capped
- Not capped
- Capped in perpetuity, with additional mills authorized for an extended period
- Appropriation from a city's general fund
- Appropriation by the city council or city commission from a city's general fund
- Levied from within a city's charter rate limitation
- Levied from a charter millage included in a city charter
- Levied from a voted millage (millage approved by the electors under Act 164)
- Levied from the 1 mill non-voted millage authorized by Act 164
- Non-voted, levied outside a city's charter limitations
- Millage funding approved by each participating municipality
- Limits on the number of authorized years
- No limits on the number of authorized years

Funding

- Funding from penal fines
- Funding from state aid
- Funding a voted township millage
- Funding from appropriations by a county commission from county general funds
- Funding from appropriations by a school district from per-pupil revenue and state aid and penal fines
- Funding from the municipalities which created the library

Establishment

- Established Under a city's charter
- Established under some law which is no longer in existence
- Established under provisions of Act 164
- Established in accordance with Act 138 of 1917
- Authorized under the Revised School Code
- Established under the District Library Establishment Act

Each of these elements is included in the table in Addendum II. The table provides a visual representation of the ***confusion*** created due to the multiple categories of legal library establishment.

Penal Fines as Revenue for Public Libraries

The Constitution of Michigan of 1963 guarantees penal fines as a revenue source for public libraries in Michigan. In Article VIII, Section 9, the constitution states, "All fines assessed and collected in the several counties, townships and cities for any breach of the penal laws shall be exclusively applied to the support of such public libraries."

The Penal Fines Distribution Act (Act 59 of 1964) contributes to the ***ambiguous and contradictory nature*** of funding for public libraries by permitting only minimal restrictions for the distribution of penal fine revenue. In order to receive penal fine revenue, a library only needs to be established through a legal method and be open ten hours per week.

Sources of Penal Fine Revenue

Two pieces of legislation qualify the sources of penal fines to be used for funding of public libraries. The Michigan Vehicle Code (Act 300 of 1949) provides for certain moving violation penalties to be used to fund public libraries. Chapter VIII, Section 257.909, confirms that fines ordered under this statute will be "exclusively applied to the support of public libraries and county law libraries in the same manner as is provided by law for penal fines assessed and collected for violation of a penal law of the state."

Fines collected under the Dog Law of 1919 (Act 339 of 1919) are also earmarked for funding public libraries. Section 287.286 states that all money "collected under the provisions of this act shall be paid to the treasurer of the county to be credited to the library fund of the county."

Penal fines are collected and distributed to public libraries at a county level. This creates a wide disparity between the revenue provided to libraries in different counties. For example, moving violations can generate substantial revenue; counties with major highways, truck routes, and truck weigh stations will collect far more penal fines than counties without those resources. This makes the collection of penal fines ***inequitable.***

Distribution of Penal Fine Revenue

The distribution of collected fines to local libraries is outlined in the Distribution of Penal Fines to Public Libraries Act of 1964. This legislation was enacted to address the distribution of penal fines and the application these fines in the support of public libraries; additionally, the act addresses the appointment and powers of a county library board receiving penal fines, and reporting of the use of penal fine moneys.

Although Section 397.32 of the Distribution of Penal Fines to Public Libraries Act of 1964 notes the process of the collected fines being paid to the county treasurer and then to the county library boards, the act does not address the division of money between the court and the libraries. Nor is this division addressed in the Revised Judicature Act of 1961, in Section 600.8379 which simply states "penal fines shall be paid to the county treasurer and applied for library services as provided by law." The split between court costs and penal fines is determined by district courts, and there is ***no consistency*** in this division within the state of Michigan. For example, if there are two district courts in one county, one court may consider a 50/50 split appropriate, while another court may determine a 20/80 split appropriate. To further complicate this ***inconsistency***, court costs offset county costs.

Finally, for the several decades since the Distribution of Penal Fines to Public Libraries Act of 1964 was written, cities have been creating "parallel ordinances" which prevent penal fines from being distributed to public libraries, creating ***unstable*** funding situations. This is particularly true for public libraries serving urban municipalities.

Local Support

The State Aid for Public Libraries Act (Act 89 of 1977) categorizes penal fines within the definition for "local support" by clarifying that the fines are received from local sources only. This compounds two problematic ***ambiguities***. Although the Library of Michigan (LM) accepts penal fines as revenue to support the "legal" (3/10 of one mill support) establishment of libraries, libraries have become increasingly dependent on penal fines for their very existence; in fact, fifty percent of libraries depend on penal fines for at least a quarter of their total income (PLFIG, 2000). Furthermore, local investment in libraries is questionable, at best, considering that such a substantial degree of revenue continues to be generated by motorists who break the law.

Contractual Areas

The Public Libraries Act (Act 92 of 1952) authorizes contracts for extension of library services. This section on *Contractual Areas* follows the section on *Penal Fines as Revenue for Public Libraries* as the two are directly related. This relationship is clarified by addressing the methods by which residents of Michigan obtain, and pay for, public library services.

One method of providing public library service to citizens involves a community establishing a legal public library and paying a direct or indirect tax. The relationship between contractual areas and penal fines, however, exists largely due to two other, more indirect, ways in which residents receive and pay for library services.

1. An established library contracts with a neighboring community that assigns penal fines, state aid, and a fee to provide library services to those citizens, or
2. An established library contracts with a neighboring community that assigns ONLY penal fines and state aid to provide library services to its citizens.

These two methods amplify the ***inequality*** of payment for services, as residents of contractual areas pay less for public library services than residents of legal service areas. The relationship can also prove ***inequitable*** for the public library. For example, contractual areas are permitted to divide their contracts, with assigned fines and aid being divided between two or more libraries. Although the libraries each receive only a portion of the funding supplied by the contractual area, each are required to serve all of the people living in that contractual area.

Contractual areas also present ***problems with stability***. Contractual areas are permitted to "shop around" and thereby alter their funding relationships with public libraries on a regular basis. Public libraries experience ***negative affects on funding*** when contractual areas find a "better deal" with a different public library, divide their contracts between public libraries, or form districts with a neighboring library when a funding agreement had been relied upon by a separate public library.

State Aid for Public Libraries

The state of Michigan provides support for public libraries through the grant categories provided in Public Act 89 of 1977. Full funding of the State Aid Act was not realized until 1998. Currently, the act provides funding to public libraries and library cooperatives in the following manner:

PA 89, §13	Public library cooperatives shall receive 50¢ per capita for their served population
PA 89, §16(2)	Public libraries shall receive 50¢ per capita for their served

population if minimum standards are met.

PA 89, §16(4) Public libraries that meet minimum standards and are members of a cooperative library shall receive 50¢ per capita to pay for services provided by the cooperative. All or part of this amount shall be used to purchase these services.

PA 89, §16(4) A cooperative shall receive $10 per square mile for the area it serves if the area has less than 75 persons per square mile.

PA 89, §16(5) County public libraries serving a population of 50,000 or less with a director who meets educational requirements can receive a maximum of $400 per month or $4,800 annually for salary reimbursement. A form must be filed quarterly by the county library to claim the reimbursement.

In Michigan, public libraries are generally considered "legal" and therefore eligible to receive state aid if they have established 3/10 of a mill support from the community. Unfortunately, this is an exceptionally low threshold considering the average per capita value of a mill in Michigan, when adjusted for taxable value, is approximately $20.

Public Library Income Per Capita

Johnson (2000) confirms that state support to public libraries in Michigan is "below the mean value for such support nationwide" (p7-3). The National Center for Educational Statistics (1996) reported the mean amount of $2.69 per capita state support for public libraries. At that time, Michigan had not yet reached the full funding of $1.50 per capita support that was outlined in the State Aid Act of 1977.

The Income Tax Act of 1967 (Act 281 of 1967) institutes an income tax to help "meet deficiencies in state funds." Section 206.260 of the act provides tax credits for charitable contributions made to cultural and educational institutions including public libraries. However, this act cannot bridge the gap between Michigan's public library per capita income and that of other Midwestern states; for example, Michigan's public libraries receive nearly 50% less per capita than the public libraries in neighboring Ohio (Krefman, Dwyer, & Krueger, 1999).

Indirect or "Swing Aid"

One obvious ***ambiguity*** in the language of the State Aid Act is in the section on funding for members of a cooperative. It states, "All or part of this amount shall be used to purchase these services." This statement adds confusion to ongoing debates regarding "swing aid." No clarification is given for how the swing aid is to be used, or what percentage of the swing aid may actually be used to purchase cooperative services. Furthermore, the *distribution* of swing aid money remains ***ambiguous***. In some parts of the state, swing aid is retained by the public library and is used to directly purchase cooperative services. In others, the funds are turned over to the cooperative, with the cooperative acting as an accounting agent for the purchase of services. Furthermore, in some cases swing aid is given directly to the cooperative and retained for the "greater good" of the cooperative membership.

Public Act 89 also does not address the ***instability*** of the swing aid anticipated for receipt by the cooperative libraries of which public libraries are members. Public libraries are able to "shop" for a cooperative and may withdraw from one to join another. When this happens, all dollars shift to the new cooperative. The Funding Issue Committee of Michigan's Public Library Funding Initiative Group (PLFIG) underscores this fact, stating that theoretically, "because there are no geographical limits on cooperative formation, a disparate group of libraries could choose to form a totally new and unique cooperative and financially devastate several existing cooperatives" (2000).

Finally, the act has been perceived to contribute to the ***inequity*** of public library funding by creating more added value through cooperative membership for small libraries than large.

Limits on Revenue and Taxes

At both the state and local levels, tax bases provide revenue for support of public libraries. When laws are passed which impact the revenue collected from taxes, public libraries are directly and/or indirectly impacted, creating a ***negative effect*** on funding.

At the state level, the Headlee Amendment to the Michigan Constitution (Article IX, Sections 25-34) limits state revenue and expenditures. The limitation on revenue is created by capping the percentage of personal income which can be collected in years after the amendment was approved to that of the base year (9.49%). Additionally, Proposal A also limits potential revenue growth by creating a taxable value category that makes real property assessment largely meaningless.

Finally, there is dramatic ***inconsistency*** in the value of a mill and State Equalized Value (SEV) across the state of Michigan. Although the average taxable value of a mill in Michigan is $20 per capita, that value will vary according to socioeconomic and geographical factors. Although determined locally, the inconsistency across the state is problematic.

Local Support for Public Libraries

In Michigan, public libraries are supported mainly through local funding. Generally, this local funding is generated through property taxes. This heavy reliance on local property tax funding directly ***contradicts*** the ability of local communities to raise sufficient funds.

Johnson (2000) suggests that recent changes in state tax laws are ***negatively affecting*** income opportunities for public libraries in the Michigan. He points to three specific state tax changes as problematic in Saginaw County:

1. A phase-out of the Single Business Tax,
2. New accelerated depreciation rates for business personal property, and
3. Authorization for 100% personal property tax abatements for businesses.

Limits on Revenue and Taxes

As noted in the State Aid for Public Libraries Act (Act 89 of 1977), tax bases provide revenue for support of public libraries. When state or local laws are passed which impact revenue collected from taxes, the direct and/or indirect result is often a ***negative effect on funding*** for public libraries.

Proposal A (of 1994) created tax limits on real property. The constitutional amendment differentiates between assessed value and taxable value in the collection of revenue. Taxable value can only increase by the lower of the rate of inflation or 5%. Assessed value (which has no limit on increases) only applies when real property is sold. Importantly, there is a 13% difference between assessed and taxable values statewide (PLFIG, 2000). The result is a lower tax base ***negatively effecting*** the income of public libraries.

Just as the Headlee Amendment impacted the tax base generated statewide, the local repercussions of the Headlee Amendment to the Michigan Constitution (Article IX, Sections 25-34) also ***negatively affect funding*** for public libraries. According to the Funding Committee Report (2000):

> If local growth of the tax base exceeds inflation, local millage rates are rolled back so inflation is not exceeded. If a library levied two mills and the tax base increased by 4% (exclusive of new construction) while inflation was 2%, the library's millage rate would be permanently rolled back so that only the 2% would be reflected.

The General Property Tax Act (Act 206 of 1893) and the Constitution of Michigan of 1963 include sections addressing the ability of local governments to levy property taxes, the exemption of public libraries from such taxes, and the limits on ad valorem taxes on real and personal property. The Use Tax Act (Act 94 of 1937) and the Property Tax Limitation Act (Act 62 of 1933) also contain exemptions pertaining to public libraries.

Municipal Finance Reform/Economic Development Laws

Michigan's comparatively low state support for public library service and the resulting dependency on local funding are compounded by municipal finance reform efforts initiated to attract and maintain local economic growth. The incentives are designed to lower or redirect property taxes and/or capture a percentage of real and property taxes. However, the result is a lower tax base, which is insufficient to support public libraries.

Municipalities that have a local income tax (1% of income on residents and .5% of income on non-residents) are most apt to embrace the full spectrum of laws. The unifying theme of all of these laws is to retain current jobs and increase business investment by offering tax relief on real and personal property. Municipalities recoup their losses by substituting income tax for property tax. Libraries that depend on a millage for support are left to deal with either declining or slow growth tax bases.

The following acts are included as ***threats to public library*** funding. Library directors' perceptions of these threats were queried in the Library Directors Survey, conducted for this study. The results of this survey are discussed in Chapter Five, and the results are available in Chapter Five Addendums, XI and XII.

Tax Increment Funding Authorities

- **Downtown Development Authorities (Act 197 of 1975)**
  Downtown Development Authorities (DDA) identify a segment of the community to establish it as a separate taxing district. The use of a DDA is a local municipal decision used by cities, townships, and villages. DDAs include several financing tools to encourage commercial district development. Existing taxing entities continue to receive taxes on the original value of the DDA, but all new tax growth is siphoned off and used for additional DDA development. Generally, but not exclusively, DDAs exist in urban areas, and school districts are exempt. For example, if a library passes a bond or operational millage in a city with an existing DDA, the DDA captures that library millage and uses it exclusively for DDA projects. It is similar for all other authorities described below.

- **Local Development Finance Authorities (Act 281 of 1986, last amended 1993)**
  A municipal financing tool for cities, villages and urban townships (over 10,000 population) that allows property tax capture for public improvements. These are authorized for manufacturing (such as industrial parks), agricultural processing, co-generation plants, and groundwater clean-up facilities.

- **Tax Increment Finance Authorities (Act 450 of 1980)**
  Although now sunsetted, cities established Technology Park Facilities to provide abatements in lieu of general property taxation by identifying a segment of the community for establishment as a separate taxing district. A base year of taxable value was established, and in subsequent years increases in taxable value were to be kept for improvements in the TIFA area only.

Brownfield Authorities (Act 381 of 1996)

Brownfield Reclamation Authorities are a relatively recent phenomenon. The state identifies some or all of a given community as a Brownfield. Brownfields are properties which have been polluted and abandoned by former owners. For all practical purposes, the land has no or very minimal value to a current tax base. Communities, primarily urban core cities, apply for various state and federal grants to make the property habitable and then offer 100% tax breaks to businesses to entice them to relocate. While there is minimal loss experienced by libraries initially through Brownfield redevelopment, libraries will not benefit from business growth in a Brownfield for the foreseeable future.

Enterprise Zone Facility

Enterprise Zones provide abatements in lieu of general property taxation for up to ten years after a business is certified as a qualified business.

Industrial Property Tax Abatements
(Act 198 of 1974, Amended Act 334 of 1993)

Industrial Property Tax Abatements allow local governments to offer tax incentives within specified industrial districts. Facilities receive tax exemption certificates from the state, which are valid for twelve years. According to Faulhaber (2000), Industrial Property Tax Abatements are true tax abatement statutes which "either grant an industry an abatement of ½ of the property taxes that would otherwise be levied on all value of the industrial facility, or 100% of the property taxes that would otherwise be levied on the increased value of a renovated industrial facility" (p. 5).

Neighborhood Enterprise Zones
(Act 147 of 1992)

Neighborhood Enterprise Zones provide tax relief for residential development in thirty economically depressed communities in Michigan. Different rules apply to rehabilitated property, new residential property, and rental property. However, the net effect of this tax increment financing act is a tax break for property owners of more than 50% on all real estate taxes. The Act allows for the creation of separate district(s) within local jurisdiction, and the capture of tax increment revenue within a specific area or property established by the local development finance authority.

Personal Property Depreciation Schedules

The Michigan Department of Treasury has released proposed changes in the factors used to compute the assessed value of personal property based on its acquisition value and age. The changes expand the number of categories of personal property from seven to eleven and base the depreciation on a statistical study. The changes for most categories will result in faster depreciation than could result in a 10% to 15% reduction in personal property taxes. It is estimated that local governments could lose as much as $130 million in revenue.

Technology Park Facilities

Technology Park Facilities provide abatements in lieu of general property taxation for up to twelve years after the completion of facilities granted exemption certificates within technology park districts. The net effect is a tax break of more than 50%.

Other Laws Pertaining to Public Libraries

- **The Revised School Code (Act 451 of 1976)**
  Article 2, Part 20, §380.1451. Allows school districts to establish public libraries, but cannot levy mills for this purpose after 12/31/93.

- **Transfer Act of City Public Libraries (Act 181 of 1973)**
  Provides for the transfer of certain public libraries to the governing body of a city.

- **Libraries under Boards of Education (Act 261 of 1913)**
  Authorizes boards of education to maintain free public libraries.

- **Consolidation of Township Libraries (Act 165 of 1927)**
  Allows township libraries in adjoining townships to consolidate, and in certain cases, to provide for joint maintenance.

- **Privately Owned Public Libraries (Act 213 of 1925)**
  Provides for operation of public libraries that are owned or controlled by associations or individuals.

- **Public Library Gifts and Donations (Act 136 of 1921)**
  Facilitates the acquisition and disposal of public property by public corporations empowered to maintain public libraries. Libraries may accept and use or dispose of gifts as they deem appropriate.

Preliminary Conclusions and Recommendations

The numerous laws pertaining to the establishment, governance, and funding of public libraries in Michigan constitute a patchwork of efforts rather than a comprehensive structure to support public libraries. A number of the existing laws pose serious threats to the long-term equity and successful growth and development of public library funding in Michigan. The ambiguity of the many laws illustrates a lack of coordinated legislative planning for the sustaining of successful public libraries.

Equally problematic is the divisive effect of Michigan's laws on coordinated and cooperative library services across the state. Different laws have different impacts on different library systems. For example, penal fines constitute the majority of total operating income for certain libraries, and contribute very little revenue for others. Additionally, differing impacts occur from municipal finance reform laws that help some libraries and hurt others. To address these ambiguities and contradictions, the study team analyzed funding mechanisms utilized in Ohio, Pennsylvania, and Florida for approaches that may be applicable in developing a new model for public library funding in Michigan. Chapter Three, Examining Peer State Public Library Funding, contains this analysis.

Clearly, the current patchwork of existing laws makes any agreement on how best to revise these laws very difficult for Michigan's public library community. Thus, revision of laws concerning public libraries will need to be done in such a way that most libraries are "held harmless" and resulting changes do *not* translate to less funding for individual libraries. Therefore, a comprehensive overhaul of public library laws in Michigan must increase the overall "pot" of resources available to *all* public libraries. The overhaul should produce a coherent and integrated approach that, at a minimum:

- Encourages equity of funding among various types of public libraries,
- Develops long-term growth and evolution of stable funding for Michigan public libraries,
- Provides incentives for local libraries to develop initiatives and improve the quality and extent of their library services,
- Can be agreed upon by the vast majority of public libraries, and
- Results in better funding for libraries and better library services for the residents of Michigan.

If Michigan public libraries are to develop and grow, a major reassessment of the laws affecting public libraries needs to occur. This reassessment needs to result in a comprehensive proposal that can be put forward to the public library community and ultimately to the state legislature for approval and implementation. Without undertaking this reassessment and legislative initiative, efforts to institute alternative statewide funding models may be for naught.

Addendum I

Michigan Laws pertaining to Public Libraries

Law	*Year*	*Penal Fines*	*Contracts*	*Estab. Libraries*	*Legislative Intent*	*Other issues*
State Aid to Public Libraries Act	1977	X	X	X	co-ops recognize geosocioeconomic conditions; "without needless duplication of facilities, resources, or expertise"	
Distribution of Penal Fines to Public Libraries	1964	X	X			
Constitution	1963	X				limits mills
Michigan Vehicle Code	1949	X				
Dog Law	1919	X				
Revised Judicature Act	1961	X				
District Library Establishment Act	1989		X	X		District Libraries can levy taxes up to four (4) mills
City, Village and Township Libraries	1877		X	X		Two (2) mills maximum
County Libraries	1917		X	X		
Municipal Finance Act	1943		X			To borrow money, libraries must comply with this act.
Public Libraries	1952		X		"Avoid unnecessary duplication"	Designed to coordinate services among libraries
Home Rule City Act	1909			X (property)		
4th Class City	1895			X		
Regional Libraries	1931			X		2 or more counties
Libraries under Boards of Education	1913			X		
Township and Village Libraries	1917			X	The "act is immediately necessary for public health, peace, and safety"	
Renaissance Zones	1996				prevents infra deterioration	Libraries are reimbursed
Use Tax Act	1937					exemptions
Income Tax	1967					credit for library gifts
Single Business Tax (phasing out)	1975					county recv'd (SEV x property tax)
General Property Tax	1893					Libraries are exempt
Property Tax Limitation	1933				The county divides funds according to "importance of public functions"	Proposal A
Revised School Code	1976					Schools could run Public Libraries (defunct 1993)
Transfer Act of City Public Libraries	1973					Cities can take over dissolved public library
Public Libraries: Bonds	1919					1/4 cent bonds for construction
District Library Financing Act	1988					Borrow max. 5% SEV
Consolidation of Township Libraries	1927					Consolidates libraries in adjoining townships
Privately Owned Public Libraries	1925					Municipality can raise 1/2 mill for private libraries with public membership
Public Library Gifts and Donations	1921					Libraries can accept gifts

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Addendum II

Categories of Legal Library Establishment

Variables	*Categories of Legal Library Establishment* 1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Type of Library Board															
City	●	●	●	●											
Township					●	●									
Village							●								
County								●	●						
School										●					
District											●	●	●	●	
Joint															●
Board Creation															
Appointed five member board	●	●						●	●						
Appointed six member board															
Appointed 5 *or* 6 member board			●		●										
Elected six member board				●		●	●								
School Board										●					
Elected District Library Board											●	●			
Appointed District Library Board													●	●	
Appointed Joint Library Board															●
Millage Funding															
Rates															
Capped				●		●	●								
Not Capped			●						●						
Capped in perpituity, with additional mills authorized for an extended period												●	●	●	
Appropriation from a city's general fund	●														
Appropriation by the city's council or city commission from a city's general fund			●												
Appropriation by a county commission from a county's general funds								●							
Levied from within a city's charter rate limitation	●		●												
Levied from a charter millage included in a city charter			●												
Levied from a voted millage (millage approved by the electors under Act 164)				●	●	●	●		●			●	●	●	
Levied from 1 mill non-voted millage authorized by Act 164		●													
Non-voted, levied outside a city's charter limitations		●													
Millage funding approved by each participating municipality															●
Limits on the number of authorized years					●				●					●	
No limit on the number of authorized years		●	●	●		●	●								
Other Funding															
Funding from penal fines					●					●	●	●	●	●	
Funding from state aid					●					●	●	●	●	●	
Funding from a voted township millage															
Funding from appropriations by a county commission from county general funds															
Funding from appropriations by a school district from per-pupil revenue										●					
Funding from municipalities which created the library											●		●		
Establishment															
Established under a city's charter			●												
Established under a law no longer in existence					●										
Established under provisions of Act 164	●	●		●			●								●
Established in accordance with Act 138 of 1917								●							
Authorized under the Revised School Code										●					
Established under the District Library Establishment Act											●	●	●	●	

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Chapter Five

Survey Data Analysis

Introduction

With the assistance of the Public Library Funding Initiative Group (PLFIG), the Information Institute study team conducted a survey, of the Michigan public library directors. The objective of this survey was to determine the perceptions of public library directors regarding the instability and inequity associated with the current funding mechanisms of Michigan's public libraries. This chapter discusses the survey results and provides analysis and interpretation offering significant insights into these funding mechanisms. Additionally, the respondents provided meaningful illustrations of the complications presented by the plethora of dilemma of laws in effect throughout and within the state of Michigan.

Note that some of the survey items were problematic. For example, item number three requested that respondents indicate the percentage of individual library funding received from different sources. The sums of the percentages for the five given categories. should have totaled 100%. However, not all responses met this expectation, illustrating one of the difficulties of using surveys. Therefore specific information was obtained through another source (Library of Michigan, 2000a).

During the summer months of 2000, the survey was distributed electronically to the 344 public libraries in Michigan with access to online services; hardcopies were mailed to the remaining 39 libraries (see Addendum I). Both versions of the survey included a cover letter (Addendum II), a glossary of terms (Addendum III) and specific instructions for individual items (Addendum IV). The survey included 43 items and was divided into five sections. These sections requested information on (1) library status, (2) library funding, (3) penal fine distribution, (4) cooperative library membership, and (5) recommendations for improving the stability and equity of public library funding in Michigan.

Survey Section One: Library Information

The first survey section collected demographic information from the respondents. Information included library name, library address, director's name, phone number, email, and library classification. Importantly, the library class identification was utilized during analysis of the survey data to compare and contrast how different library classes responded to individual portions of the survey.

The survey was distributed to all 383 public libraries in Michigan, 264 (69.9%) of which responded. Table 5.1 provides specific information about the number and percentage of respondents from each library class.

Table 5.1 ***Percentage of Each Class Responding and the Actual Percent of Each Class in the Population***

Library Class	Number Per Class Responding	Percentage of Class Responding	Percentage of Library Class in Responsing Library Population	Percentage of Actual Class in Population
I	42 of 85	49.41	15.91	22.19
II	46 of 79	58.23	17.42	20.63
III	59 of 82	71.95	22.35	21.41
IV	44 of 62	70.97	16.67	16.19
V	32 of 34	94.12	12.12	8.88
VI	41 of 41	100.00	15.53	10.70
Total	**264 of 383**	**68.92**	**100.00**	**100.00**

As illustrated in Table 5.1, the percentage of Class III and IV library directors responding to the survey mirrors the actual percentage of those library classes within Michigan's population. The percentage of directors of Class V libraries responding represents about 12% of the responding population versus 8% in the actual population. Class VI directors responding to the survey also constitute a larger portion of the survey population (15%) than the existing population (10%). Class I respondents comprise approximately 16% of the survey population, and Class II respondents represent approximately 17% of the respondents; both of these classes comprise a smaller percentage of the respondent population than the actual population. When considering the survey data, it is important to remember that both Class V and Class VI represent a larger portion of the responding library directors than in the existing population, while Classes I and II represent a smaller portion of the responding population than in the existing population of Michigan libraries.

Finally, Table 5.1 includes the response rate among the various library Classes. Class VI and Class V library directors had the highest response rate with 100% and 94% responding respectively, while Class I (49%) and Class II (58%) had the lowest response rate.

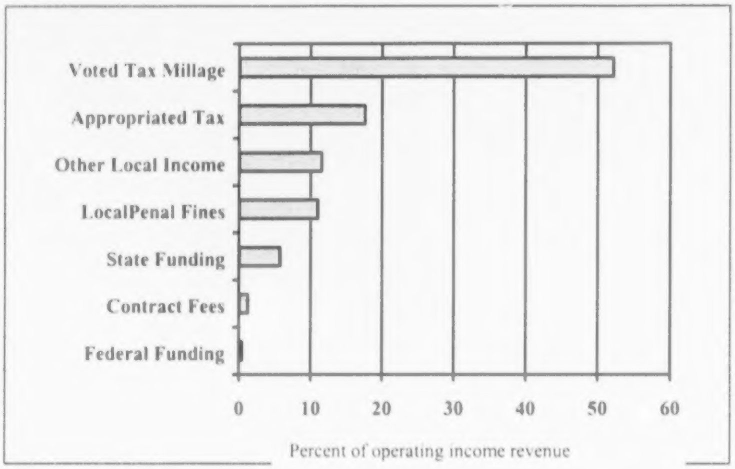
Survey Section Two: Funding

The second survey section consisted of items 1 through 29, and focuses on the collection of information regarding individual public library funding as well library director perceptions of threats to their funding.

The first four items in this section addressed individual library annual income and the sources of that income. Library directors were asked to identify the percentage of their annual operating budget supplied by local tax millage, federal funding, state funding, penal fines revenue, and "other" sources. Additionally, library directors were asked to identify the "other" sources of funding received by their libraries.

As indicated earlier, this item posed a problem with the accuracy of data collected. However, this specific information regarding funding sources is available in the *Michigan Library Statistical Report* (Krefman, Dwyer, & Krueger, 1999). That report was utilized by the study team to identify percentages of library budgets received from specific sources, in lieu of the data received from the survey. This information is displayed in the Chart 5.1.

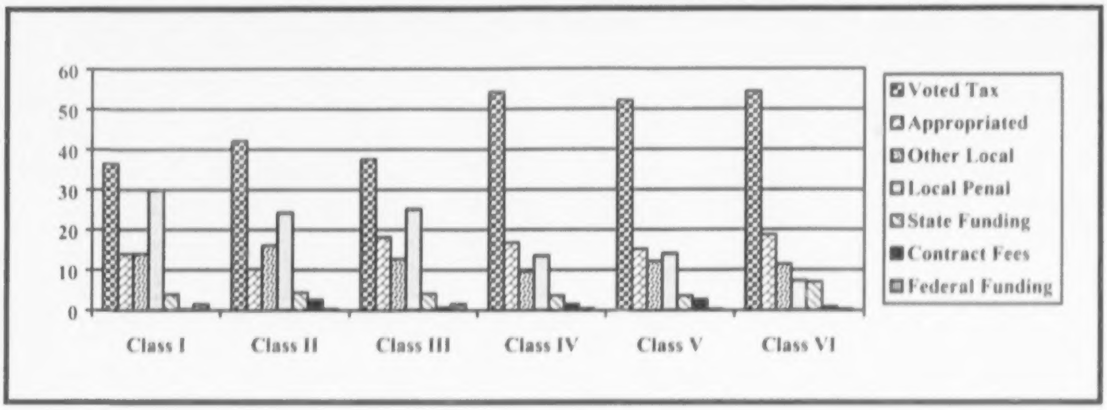
Chart 5.1 ***Categories and Percentage of Annual Operating Income Statewide***



Overall, voted tax millage provided the largest single source (approximately 52%) of revenue for public libraries in Michigan, while local penal fines, other local income, and appropriated tax income, combined, account for an additional 42%. The remaining 8% is comprised of state and federal funding, and contract fees.

A further comparison of funding sources was performed based on library class. Addenda V, Percentage of Source of Revenue by Class displays the percentages of the seven funding sources cross-tabulated by library class. Chart 5.2 presents a graphical representation of this data.

Chart 5.2 ***Percent of Revenue Received from Individual Funding Sources by Class***



Importantly, for Classes I, II, and III, penal funding comprised the second largest source of revenue. For Class I, penal fine revenues provided 30% of the annual operating income. In this class, income from penal fines represents nearly the same percentage of the total annual income as voted tax millage.

Responses from library directors answering the item regarding "other sources of funding" generally fit into the following categories: (1) Fines (e.g., over due book fines); (2) Fees (e.g., non-resident fees and replacement fees); (3) Revenue from interest bearing accounts (e.g., savings accounts, CDs, trusts, investments, etc.); (4) Contributions (e.g., memorials and donations); (5) Grants, Service and Rental fees (e.g., photocopying and room rentals); (6) Sales (e.g., books and other merchandise); (7) Contracts (e.g., city or township contracts); (8) Local contributions/appropriations (e.g., township, county, and city contributions); and (9) Municipal finance reform efforts (such as a Single Business Tax). Of these, library directors listed Fines, Fees, Service Fees, and Contributions as sources of "other" income for their libraries (see Addendum VI "Other" Sources of funding for Michigan's Public Libraries).

Items 5 through 9 asked library directors to consider the significance of various funding sources for their library by marking appropriate degree of importance on a five-point Likert scale. Number one indicated that the library director perceived a funding source to be "not at all important." The view of "absolute importance" was indicated by marking the number five. Table 5.2 indicates the responses of all the library directors to these five items. Swing aid is discussed further in this chapter under the section addressing cooperatives, as well as in Chapter Four.

Table 5.2 ***Perceived Importance of Funding Overall***

LSTA Importance	% overall	State Funding Importance	% overall	Swing Aid Importance	%over all
1	27.95	1	1.56	1	7.02
2	28.74	2	20.23	2	16.53
3	18.90	3	24.12	3	20.66
4	13.78	4	21.01	4	25.21
5	10.63	5	33.07	5	30.58
Total	**100.00**	**Total**	**100.00**	**Total**	**100.00**
Penal Fine Revenue Importance	**% overall**	**Local Tax Millage Importance**	**% overall**		
1	0.39	1	8.47		
2	3.09	2	0.81		
3	9.65	3	1.21		
4	18.92	4	5.24		
5	67.95	5	84.27		
Total	**100.00**	**Total**	**100.00**		

Overall, the library directors perceived LSTA funding to be the least important source of revenue. Local tax millage was considered most important, and penal fine revenue next most important by library directors.

The importance of the five funding mechanisms by class is cross tabulated in Addenda VII Perceived Funding Importance by Class. While all of the library directors perceived Local Tax Millage to be absolutely important, directors in Class V and Class VI libraries perceived this funding to be more important than the other classes perceived it to be (see Chart 5.3). Additionally, a higher percentage of library directors in Classes I, II, and III perceive penal fine revenues as absolutely important than do directors of Classes IV, V, and VI (see Chart 5.4).

Chart 5.3 ***Perceived Penal Fine Revenue Importance***

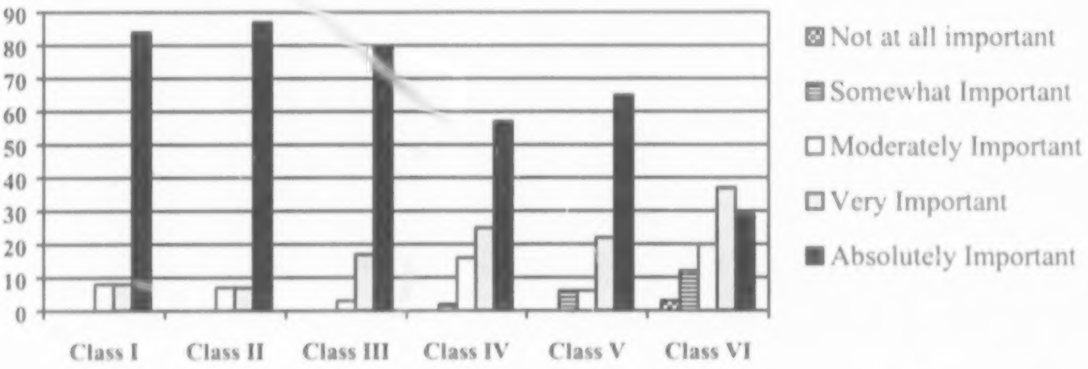


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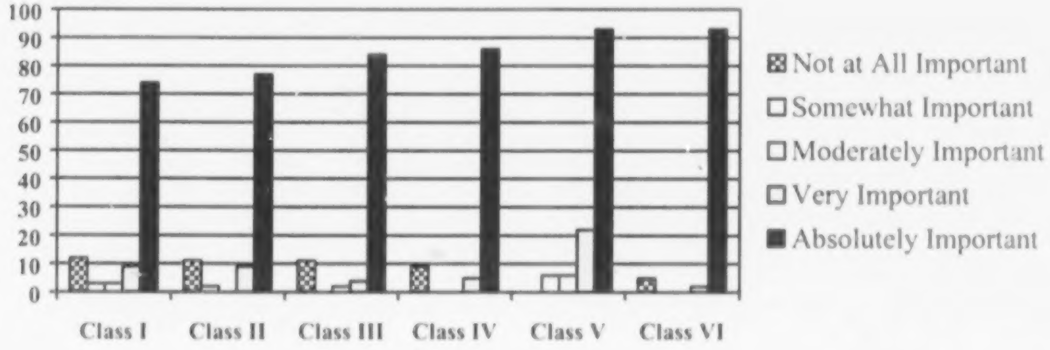
Chart 5.4 ***Local Tax Millage Importance***



Items 10 through 14 sought to determine library directors' perceptions of the stability of the same five library funding sources identified in questions 5 through 9. A four-point Likert scale was utilized for this purpose. Number one indicated the perception for a given funding source was unstable, and number four indicated the perception that a funding source was "absolutely stable."

Table 5.3 ***Overall Perception of Funding Resource Stability***

LSTA Grants	% Overall	Local Tax Millage	% Overall	Penal Fine Revenue	% Overall
1	56.02	1	9.21	1	21.48
2	28.63	2	4.60	2	40.23
3	14.52	3	44.35	3	33.59
4	0.83	4	41.84	4	4.69
Total	100.00	Total	100.00	Total	100.00
State Funding	**% Overall**	**Swing Aid**	**% Overall**		
1	4.74	1	9.88		
2	18.58	2	19.75		
3	62.06	3	58.02		
4	14.62	4	12.35		
Total	100.00	**Total**	100.00		

Table 5.3, indicates that LSTA funding has the highest percentage of perceived instability (56%), and local tax millage the highest perceived stability (42%). By class, there does not appear to be a difference in perception of stability of funding sources. This information can be viewed in the Addendum VIII, Perceived Stability of Funding Source by Class.

Items 15 through 19 sought to determine library directors' perceptions of the equality of the five library funding sources identified above. Again, a four-point Likert scale was utilized. Number one indicated the perception of a funding source as "inequitable," and number four indicated the perception of "absolutely equitable."

The overall responses to items 15 through 19 are available in Addendum IX, The Overall Perception of Funding Source Equity. Interestingly, as a group, 30% of the library directors perceived LSTA and Penal Fine Revenue funding as inequitable, and 30% of the directors perceived Local Tax Millage as equitable. Addendum X, Perceived Equity of Funding Source by Class, presents the library directors' responses to questions 15-19.

Chart 5.5 presents the library directors' views on the perceived equity of penal pine revenue by Class. In this table, a discrepancy between the perception of equity in Penal Fine Revenues is depicted between Class I and Class VI library directors. The majority of Class VI library directors perceived inequity in the distribution of penal fine revenue, while only approximately 10% of Class I library directors found penal fine revenue "inequitable."

Chart 5.5 ***Perceived Equity of Penal Fine Revenue by Class***

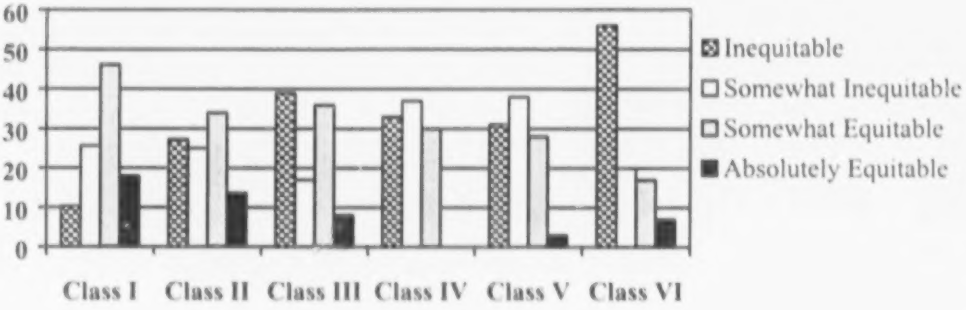
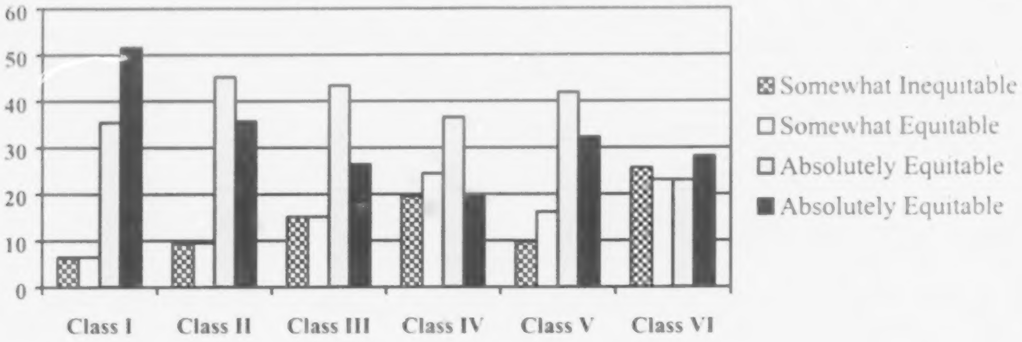


Chart 5.6 Perceived Equity of Local Tax Millage Funding illustrates the perceived equity of funding generated through local tax millage collection. Interestingly, the vast majority (more than 85%) of Class I library directors responding to the survey perceived funding through local tax millage to be either "somewhat equitable" or "absolutely equitable," with relatively few (less than 15%) reporting this funding to be "inequitable" or "somewhat equitable." The spread on the responses from the Class VI library directors was not as diverse. Each of the four possible choices on the Likert scale received between 22% and 28% of the responses from Class VI library directors. The difference in perceptions among classes warrants further investigation.

Chart 5.6 *Perceived Equity of Local Tax Millage Funding*



The final items in the second section of the survey asked respondents to identify the perceived degree of threat posed to existing library funding due to tax levy exemptions. For these items, library directors were asked to note that dollar amounts or percentages of the exemptions might vary across jurisdictions in Michigan. Once again, a Likert scale was used to assess the directors' opinions. Numbers one through four on the scale indicated perceived degree of threat (one being "high threat," and four being "no threat"). A fifth option "don't know" was also provided.

Overall, the library directors either perceived the tax levy exemptions as no threat or they did not know the amount of threat. These two answers accounted for over 60% of the responses in all but two of the tax levy categories. The exceptions to this statement were the Downtown Development Authority (DDA) and the Depreciation Schedules on Personal Property. Addendum XI, Perceived Threats to Library Funding from Tax Levies Overall, contains the overall responses of the library directors to the perceived threat of tax levy exemptions.

Addendum XII, Perceived Threat from Tax Levy Exemptions by Class, depicts library directors' perceptions of the threat posed to library funding by tax levy exemptions, arranged by class. Interestingly, of the six classes of libraries selecting a specific degree of threat, Class IV library directors perceived the greatest threat to be from the Industrial Facilities Tax (IFT) exemption.

Class V and VI library directors perceived Local Development Financing Authorities to be more of a threat than directors from the other four classes perceived it to be. Directors of Class IV and VI libraries perceived the greatest threat to library funding from Depreciation Schedules on Personal Property. The following two charts, Chart 5.7 and Chart 5.8 provide graphical representations of the differences existing between library directors of the various classes in their perception of threat from these two categories.

Chart 5.7 *Perceived Threat from Local Development Financing Authorities (LDFA)*

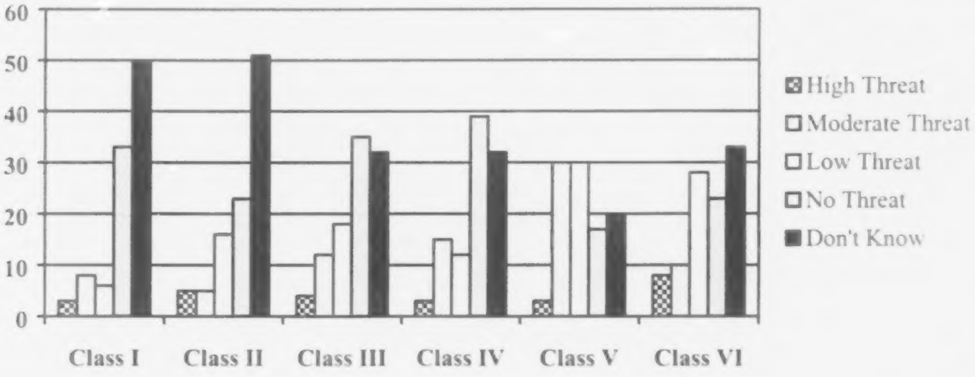
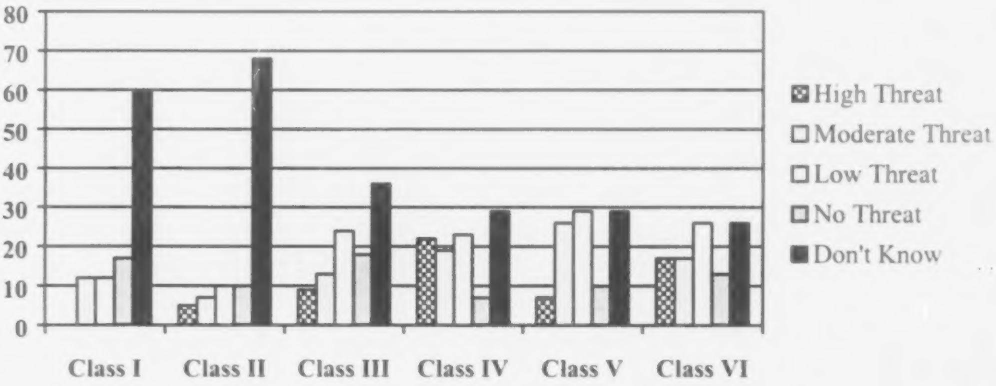


Chart 5.8 *Perceived Threat from Depreciation Schedules on Personal Property*



The set of items seeking directors' perceptions of threats to libraries from tax levies included a request for "other" perceived threats to library funding. The breakdown of responses to this item can be found in Addendum XIII Other Perceived Threats to Library Funding. The limited number of responses to this item can be classified into three categories: (1) Tax Threats; (2) Penal Fine Threats; and (3) Fluctuations in the Economy. Most frequently noted were other tax-related threats. Responding library directors were particularly concerned about Headlee Rollbacks (addressed in Chapter Four). The Headlee Amendment (Article IX, Sections 25-34 of the Michigan Constitution) limits state revenue and expenditures by capping the percentage of personal income collected after the amendment was approved. It limits the amount that community taxing authorities can tax on the full value of property growth; this has been particularly significant in areas experiencing substantial increases in property value.

Within the course of the research conducted by the Information Institute, library directors across Michigan related their frustrations with the plethora of laws affecting and threatening their operating budgets. One director, whose library serves approximately 31,000 residents of Michigan, commented on the threats to her library's annual revenue. She wrote that her library:

> became a district library five years ago when Proposal A destroyed the funding for all the school district public libraries. At that time we easily passed a millage of 1.6 mills, which generated approximately $700,000. I was disappointed to learn that the TIFAs and DDA that had been organized several years before, which cover most of our city, skimmed over $100,000 off that amount.
>
> In the fiscal year which has just concluded, our 1.6 mills generated $834,319 and TIFA took $238,717 off the top. In other words, the library received only $ 595,602 or 71% of the tax that the voters…approved. Add this to the Headlee Rollback which keeps the amount levied flat every year and the Single Business Tax which has been repealed, coupled with the obvious fact that expenses go up every year, not down, and it places this library in a very difficult position.

The library director concluded by asking, "Why should we have to go back and ask the voters for more funds to operate the same program when they have already approved more than enough?"

Additional thought provoking comments from directors were received directly as responses to an open-ended request for situations/experiences regarding public libraries within the state of Michigan. These are located in the highlighted text boxes, such as the one below, found throughout this chapter.

Situation 1

In the Keweenaw Peninsula area of Upper Michigan there are five "public" libraries. One of the libraries is a district library that serves four municipalities. The majority of its public support comes from locally voted property taxes. The district library provides a wide range of resources and services utilizing a staff of 15 people.

The other four are combined school/public libraries that are physically located in local schools. Their only public library funding comes from penal fines and state aid. The penal fines are minimal as there are no expressways or weigh stations in the area. The school/public libraries provide very limited public library hours during non-school times (evenings, weekends, school vacations, etc.) Most are run by one librarian/teacher and, at best, some library aides and student helpers.

The school/public libraries enjoy the financial, technological and administrative support of their local school system, their regional ISD/REMC, *and* the public library cooperative. The district public library only has the public library co-op. The school/publics also have benefited from recent facilities improvements to their schools. The low tax base and voter reluctance have made it difficult for the purely public library to generate support for a much needed expansion of library space.

The school/public libraries have all the benefits of both the K-12 world and the public library world, yet they provide only minimal public library services. Under the current state funding and reporting system there is no incentive for the schools to divest of their public library funding *or* provide better public library services. The current system also does not provide any good means for interested citizens to organize a separate public library scenario for their communities because that would mean increasing property taxes in addition to fighting the psychological/political inertia of their existing "free" school/public libraries.

This is not a library vs. library issue; this issue is about the need to provide a base of stable and fair funding for public library services and facilities that is not hinged on local property taxes.

Survey Section Three: Penal Fines

The three items in the third survey section addressed penal fines as a source of revenue for public libraries in Michigan. This section was particularly important for gathering data regarding the debate surrounding the stability and equity of penal fine collection as a method of funding Michigan's public libraries.

Importantly, respondents were asked if their library's legal service area had a truck weigh station. The Michigan Public Library Director Survey revealed that 13% of the respondents have truck weigh stations within their legal service area. According to the PLFIG Funding Report (PLFIG, 2000), libraries with truck weigh stations within their

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legal service areas collect a disproportionate amount of penal fines, and that these libraries are highly dependent on penal fine revenue for their annual budget.

Regarding the stability of penal fine revenue, a library director responding to the open-ended request for anecdotal information reported a loss of $54,000 in penal fine revenue over a thirteen-month period. In terms of equity, another library director commented that counties with weigh stations in their jurisdictions receive substantially more penal fine revenue than those without weigh stations.

Respondents were asked to provide information about the number of district courts operating within their counties, as well as how each court divides the penal fines that are collected. Respondents revealed a wide disparity in the number of courts operating within the county served by a public library (between one and sixteen courts per library jurisdiction). Less than 25% of the responding library directors reported that they had more than one court operating in their county. This fact contributes to the instability and inequity associated with penal fines, since different courts in different districts distribute penal fines as the court determines appropriate, rather than according to a statewide mandate or formula.

Additionally, respondents where also asked to state the percent of penal fine revenue received by their libraries (with libraries receiving from 10% to 100% of the total monies collected and dispersed by the courts). The majority of libraries received 40% to 50% collected revenue, with courts retaining 50% to 60%. However, it should be noted that there was a considerable amount of confusion regarding the request for data on the division of penal fines between the courts and the libraries in the responses obtained.

The complicated nature of the division of revenue comprised of penal fines and court costs is illustrated in the comments offered by a library director who shared her experiences of attempting to procure an accurate answer to this item for completion of the survey (see text box for Situation 2). She refers to her call for clarification through a Library of Michigan e-mail listserv posting. Her comments, as well as the analysis of Michigan law regarding the funding of public libraries, point to a need for both clarification of the issue of penal fine division, and an equitable, stable apportionment of this revenue to the public libraries for which penal fine revenue is earmarked.

Situation 2

Perhaps you saw my posting on michlib-l about the difficulty of obtaining the information needed for director's survey question #32 (regarding the division of penal fine revenue between the courts and the public libraries). One district court covers three county libraries in this area (with more than one judge). Two of us contacted the court administrator and got the same answer - it is impossible to provide this figure. The other librarian told me the judge that covers her region claims their split is 50/50 - she accepted this verbal figure with no verification.

I got eleven responses to my michlib-l posting. Based on this small sampling, I think the results from survey question #32 may not be very useful as there is no standard method being used to determine these figures. As examples: one person told me that she had difficulty reaching the right person, but once she did the court employee was able to give her the figure right off the top of her head; a couple reported they were told that there is no set split and a percentage was impossible to provide; two libraries get copies of the district court's transmittal advice sheets from the county treasurer, but the way they determine the split from these reports seems to be different; a librarian in Wayne County told me of the difficulty she had in getting information (from 15 courts!) and that she has no assurance of its accuracy. This same librarian says "The results may be skewed...it scares me to realize how nonspecific this all is, and the cavalier distribution of the money assigned to us in the Constitution."

(A library administrator) has developed a spreadsheet that does this type of calculation and has contacted courts in her area to gather the information for member libraries. She tells them she needs it for state reports and has never had a problem with cooperation. She sent a sample for Spies library and it makes sense. I'm going to use this spreadsheet to calculate my split using transmittal advice info from the county treasurer.

Maybe one of the changes in public library funding should be that the courts and libraries work together to develop a standard tool for reporting penal fine information?

Other library directors echoed the sentiments of the above comments. As concluded in Chapter Four of this report, location of a public library in Michigan plays a large role in the amount and division of penal fine revenue.

Survey Section Four: Cooperative Library Membership

The laws governing cooperative membership, the provision of cooperative services, and distribution of funding for those services presents a plethora of guidelines under which public library administrators must operate. Legally, libraries are not geographically bound to their cooperatives, nor are they obligated to provide a specific percentage of their indirect aid to their cooperative library. Unfortunately, however, this can lead to confusion on the part of the cooperatives, the libraries, and the library community.

Currently there are fourteen cooperatives in Michigan; member libraries from each of the fourteen cooperatives responded to the survey. In fact, less than 3% of the respondents indicated that their libraries were *not* members of a cooperative. The questions in this section of the survey determined the handling of swing/indirect aid.

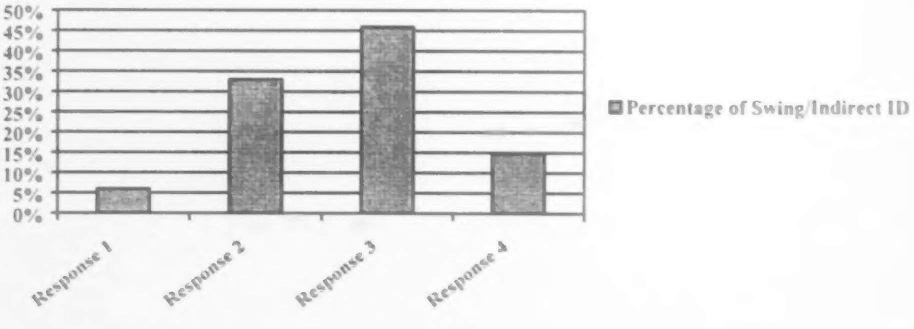
As discussed in Chapter Four, Indirect Aid (commonly referred to as "Swing Aid") is the state aid provided to public libraries which are members of a cooperative. The law specifies that this amount is $0.50 per capita.

In Michigan, swing/indirect aid accounts for a relatively small portion of public library funding. Unfortunately, irregularities in responses to survey item 35 prevent precise calculation of the percentage of annual library funding represented by swing aid. However, Class I and II library directors reported swing aid as more important than was reported by the other library classes, implying a heavier reliance on swing aid revenue by small libraries than large libraries. See Addendum VIII for a breakdown of responses to items requesting perceptions of funding importance, by class.

Library directors were asked to indicate how their public library handled swing/indirect aid payments to their cooperative library. The results of this question are shown in Chart 5.9. No response received a majority of answers, indicating the lack of unity by public libraries in dealing with swing/indirect aid. Possible responses to this item were:

Response 1: *My library deposits swing aid with the cooperative where it is used to buy services.*
Response 2: *My library is billed for specific services by the cooperative and swing aid is used to pay for these services.*
Response 3: *My library sends all swing aid to the cooperative where it is used to provide services.*
Response 4: *Other (please explain)*

Chart 5.9 ***Swing/Indirect Aid Given from Public Libraries to Cooperatives***



The management of swing/indirect aid between the public libraries and the cooperative libraries varies dramatically within Michigan. Respondents to the survey indicated that swing/indirect aid was handled in the following manner:

- 42% of the libraries give 100% of their swing/indirect aid to the cooperative,
- 30% of the libraries give the cooperative none of their swing/indirect aid, and
- 54% of the libraries give less than 50% of their swing/indirect aid to the cooperative.

Another option available to public libraries in the use of swing/indirect aid is to directly purchase actual services from the cooperatives. Library directors responded that their libraries opt for this method in the following manner

- 56% of the libraries use all of their swing/indirect aid to purchase services from their cooperative,
- 21% use none of the swing/indirect aid to pay for services, and
- 34% use less than 50% of swing/indirect aid to pay for services.

This section of the survey demonstrates that there exists a lack of uniform procedures for dealing with the distribution of swing/indirect aid within cooperatives by public libraries. Any recommendations posed for the improvement of funding mechanisms in Michigan should include suggestions for dealing with this lack of coherence. Addressing this issue will aid cooperatives in strategic planning, in lobbying for future funding, and in providing uniform and quality services to public library patrons.

Library respondents were asked to provide recommendations for improving the distribution of indirect aid (also known as "swing aid") in item 38. Their responses, as well as the frequency of responses across library classes, can be found in Addendum XIV Suggestions for Improved Distribution of Swing Aid. Although 21 of the responses to this item report satisfaction with the current arrangement of swing aid disbursement, a number of suggestions for improvement were offered. These suggestions included:

- Billing public libraries only for services used.
- Stabilizing swing aid distribution and increasing funding.
- Sending aid directly to the cooperatives.
- Provide a stable base of revenue to cooperatives to be used for core or essential services, and supply state aid for additional services as needed.
- Eliminate swing aid.
- Decrease individual public library costs by allowing group purchases of services offered by cooperatives.

- Base aid on both population and geography.

Question 39 asked library directors to share their perceptions of the current roles of cooperatives in Michigan. Library directors described a number of roles currently filled by cooperatives in Michigan. These roles fit into one of four categories:

1. **Support** (including general support, as well as shared costs, shared resources, and shared automation).

2. **Facilitator/Unifier** (coordination of services, dissemination of information/communication, networking, providing a "strength in numbers" attitude, serving as a clearinghouse for input and collaboration, and provision of a venue for shared ideas).

3. **Leadership and Consultation** (provision of technical help and technical consultation, professional leadership, advocacy, lobbying efforts, and policy consultation).

4. **Provider of Services** (inter library loan services, general services, delivery services, database service and maintenance, and grant assistance).

Addendum XV, Perceptions of the Current Roles of Cooperatives, summarizes the frequency of responses per class on the perceptions of current roles of cooperative libraries in Michigan. Notable distinctions among library classes responding to this item include the perception of cooperatives as a source of communication or a disseminator of information, as well as a provider of technical help and consultation. These perceptions were more frequently reported by smaller libraries (Classes I, II, III, and IV) than by larger libraries (Classes V and VI).

In addition to current roles of cooperatives perceived by library directors, the perceived roles of cooperatives in the future were collected by the survey (see Addendum XVI, Perceptions of the Future Roles of Cooperatives). Library directors generally perceive the role of cooperatives in the future to mirror the current perceived role. However, a number of respondents believe the role of cooperatives will increase in the future, particularly in terms of the facilitation of technology and technical support and in the general involvement of cooperatives with public libraries.

Finally, the current and future perceived roles of Regions of Cooperation (ROCs) were addressed in this section of the survey. Although the function of ROCs is minimal within the current library system, the types and frequencies of responses are available in Addendum XVII, Perceptions of the Roles of Regions of Cooperation (ROCs). Survey responses and interviews indicated that in most parts of Michigan, ROCs are now considered antiquated, with cooperatives filling the original responsibilities formerly held by ROCs.

Survey Section Five: Recommendations and Additional Responses

The focus of the "Tell us what you think" section of the survey was to solicit the opinions of the respondents regarding recommendations for improving the stability and equity of funding for Michigan's public libraries, as well as to provide an opportunity for library directors to contact the Information Institute directly with anecdotal information or stories illustrating unusual funding patterns in Michigan.

The first question in this section asks respondents to offer suggestions for improving the stability and equity of funding for Michigan public libraries. The responses, and their frequency across library classes, are worthy of consideration in identifying and implementing an appropriate funding model for Michigan (see Addendum XVIII, Recommendations for Improving the Stability and Equity of Funding for Michigan Public Libraries). The responses of the library directors were classified into eight categories:

1. **Changes in the funding source(s)**

   The most commonly noted responses in this category include the suggestion that Michigan generally increase revenue to public libraries through the mechanism of state aid. A number of respondents suggested that this be done through initiation of a state tax specifically earmarked for libraries. Additionally, the respondents suggested that alternate sources of funding which may be initiated in Michigan should be carefully written into law so that other agencies would be unable to access that particular funding stream.

   Also significant in this category was the repeated suggestion that a stable and equitable *alternative* to penal revenue be developed. Even respondents who were against ending penal fine distribution to libraries asserted that the systems of collection and distribution should be revamped. Interestingly, suggestions within this context were offered by public library directors in each library class. However, only Class I, II, and III libraries suggested eliminating penal fines outright.

2. **Changes to the current laws**

   Highlighted within this category of responses was the suggestion that current millage collection and millage formula be reexamined. Respondents representing Class I, II, and III libraries also suggested that local and state funding should be mandated by law, and that libraries receive exemptions from specific taxes. Finally, respondents suggested that the number of libraries in Michigan be narrowed through consolidation efforts.

3. **Changes in library relationships**

   Two groups of responses comprised this category. The first involved the relationships of libraries to one another. Respondents asked for the related creation of "one voice" for libraries. This one voice could promote resource sharing as well as strengthen lobbying efforts at the state level. The second, and related category was the suggestion that the relationship between libraries and legislative bodies be strengthened.

4. **Changes in the distribution of funding**

   Smaller libraries in particular suggested that the distribution of funds to public libraries be based on populations. While respondents from Class I, III, V, and VI requested the "holding harmless" of *all* libraries; directors were concerned that changes instituted in Michigan, perhaps as a result of this research, not lessen current annual funding to established libraries.

5. **Changes in library roles**

   In this category, respondents from mid-sized libraries (Class III and IV) suggested that cooperatives have a smaller role in public library decision making, and that the Library of Michigan (LM) play a larger role. The previously discussed inability of LM to act as an advocate for public libraries may have initiated this suggestion (see Chapter Two).

6. **Provision of rewards and incentives**

   In this category, responding library directors of Class V and VI libraries requested that "Benchmarks of Quality Service" be formally established, and that funding be directed to libraries meeting these standards. Furthermore, one respondent (a director of a Class IV library) suggested that incentives or rewards be provided to libraries hiring and retaining professional libraries, and those that provide continuing education.

7. **Programming suggestions**

   Most import in this category was the maintenance of the Access Michigan Program. The occurrence of this suggestion did not appear to be based upon library size, as it was offered by directors of Class II, IV, and VI libraries.

8. **Change in approach to effecting change in public library funding.**

   In this category, respondents suggested that a mechanism for lobbying on the state level be identified and initiated. This suggestion may tie in to the aforementioned inability of LM to act as a lobbyist for public libraries or public library funding (see Chapter Two).

Responses fitting within the first category of suggestions (change in funding source) for the improvement of public library funding were the most frequently offered by the public library directors. Increasing public library funding through state aid was the most popular approach, and respondents suggested that a new model be based on an existing and successful model initiated in one of Michigan peer states. In fact, fourteen library directors directly named Ohio as having a public library funding model that Michigan should emulate. Interestingly, the 2000 HAPLR Ratings index ranked Ohio's libraries as the best in the United States (Hennon, 2000).

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Inequitable and Unstable Funding

In concluding this chapter, it is evident that there are a multitude of factors contributing to the instability and inequity of public library funding structures in Michigan. In Chapter Six, the data collected through the library director survey as well as through focus groups, interviews, and literature reviews will be carefully addressed in the development of an appropriate funding model for Michigan. As stated previously, it will be important that the library directors who responded to the survey direct their efforts to the implementation of a stable and equitable funding model in order to recreate funding structures for public libraries in Michigan.

Chapter Five Addenda

Addendum I

Michigan Public Library Director Survey

This survey is being conducted as part of a study initiated by the Michigan Public Library Funding Initiative Group (PLFIG) researching equitable and stable sources of public library funding in Michigan. Your participation in this project is completely voluntary and you may withdraw at any time. Your responses to this survey will be kept strictly confidential and will be very useful in determining exemplary funding models for public libraries in the state of Michigan. The data for this study is being analyzed under the direction of Dr. Charles McClure of the Information Use Management and Policy Institute in the School of Information Studies at Florida State University. Please complete this questionnaire and return it in the enclosed postage paid envelope by Wednesday, 12 July 2000. You are welcome to attach additional pages to expand your comments on the open-ended questions.

Library Information

Library Name: ____________________

Address: ____________________

____

Director's Name: ____________________ Phone: ____________________

E-Mail: ____________________

Library Classification Code (please mark one): ☐ I ☐ II ☐ III ☐ IV ☐ V ☐ VI

Funding

1. A. What is your library's total annual income for your library's legal service area for the most recent fiscal year? ____________________

   B. What is the population of your legal service area? ____________________

2. If you have contractual arrangements or are receiving payments for services to areas other than your legal service area, such as townships, villages, etc., please list each area served, and provide the figures requested. You are welcome to add additional lines as necessary.

- Contractual area served __________ Population served __________ Income received __________
- Contractual area served __________ Population served __________ Income received __________
- Contractual area served __________ Population served __________ Income received __________
- Contractual area served __________ Population served __________ Income received __________
- Contractual area served __________ Population served __________ Income received __________
- Contractual area served __________ Population served __________ Income received __________
- Contractual area served __________ Population served __________ Income received __________

3. Indicate the percentage of your library's total annual funding received from the following sources.

__________% Local Tax Millage

__________% Federal funding

__________% State Funding

__________% Penal fines

__________% Other

4. What is included in the "other" sources of funding in question #2? ____________________

____

Please indicate the IMPORTANCE of each of the following funding sources for your library by marking the appropriate number on the scale.

	Not at all Important	Somewhat Important	Moderately Important	Very Important	Absolutely Important
5. LSTA Grants	☐1	☐2	☐3	☐4	☐5
6. State Funding	☐1	☐2	☐3	☐4	☐5
7. Swing Aid	☐1	☐2	☐3	☐4	☐5
8. Local Tax Millage	☐1	☐2	☐3	☐4	☐5
9. Penal Fine Revenue	☐1	☐2	☐3	☐4	☐5

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Please indicate the STABILITY of each funding source for your library by marking the appropriate number on the scale.

	Unstable	Somewhat Unstable	Somewhat Stable	Absolutely Stable
10. LSTA Grants	☐1	☐2	☐3	☐4
11. State Funding	☐1	☐2	☐3	☐4
12. Swing Aid	☐1	☐2	☐3	☐4
13. Local Tax Millage	☐1	☐2	☐3	☐4
14. Penal Fine Revenue	☐1	☐2	☐3	☐4

In your opinion, how EQUITABLE are the following funding sources? Please indicate your response by marking the appropriate number on the scale.

	Inequitable	Somewhat Inequitable	Somewhat Equitable	Absolutely Equitable
15. LSTA Grants	☐1	☐2	☐3	☐4
16 State Funding	☐1	☐2	☐3	☐4
17. Swing Aid	☐1	☐2	☐3	☐4
18. Local Tax Millage	☐1	☐2	☐3	☐4
19. Penal Fine Revenue	☐1	☐2	☐3	☐4

Please indicate the DEGREE OF THREAT, if any, posed to your library funding due to the following tax levy exemptions by marking the appropriate number on the scale. Please note that the amount of the exemptions may vary across jurisdictions in Michigan.

	High Threat	Moderate Threat	Low Threat	No Threat	Don't Know
20. Neighborhood Enterprise Zones	☐1	☐2	☐3	☐4	☐ Don't know
21. Enterprise Zone Facilities	☐1	☐2	☐3	☐4	☐ Don't know
22. Technology Park Facilities	☐1	☐2	☐3	☐4	☐ Don't know
23. Industrial Facilities Tax (IFT)	☐1	☐2	☐3	☐4	☐ Don't know
24. Local Development Financing Authorities (LDFA)	☐1	☐2	☐3	☐4	☐ Don't know
25. Downtown Development Authorities (DDA)	☐1	☐2	☐3	☐4	☐ Don't know
26. Tax Increment Financing Authorities (TIFA)	☐1	☐2	☐3	☐4	☐ Don't know
27. Brownfields	☐1	☐2	☐3	☐4	☐ Don't know
28. Depreciation Schedules on Personal Property	☐1	☐2	☐3	☐4	☐ Don't know
29. Other (Please describe) ____________________	☐1	☐2	☐3	☐4	☐ Don't know

Penal Fines

30. A. Does your library's legal service area have a truck weigh station? ☐Yes ☐No

B. If so, what county has jurisdiction over the weigh station? ______________________________

31. How many District Courts operate within your county? ☐1 ☐2 ☐3

32. If there is just one (1) district court in your jurisdiction, please indicate how penal funds are court costs are divided. For example, are penal fines and court costs divided evenly between the court and the library system (50/50)? You may need to contact your local district court to obtain this information.

Courts Retain	☐10%	☐20%	☐30%	☐40%	☐50%	☐60%	☐70%	☐80%	☐90%	☐Unsure
Libraries Receive	☐10%	☐20%	☐30%	☐40%	☐50%	☐60%	☐70%	☐80%	☐90%	☐Unsure

If there is more than one district court in your jurisdiction, please indicate how penal funds and court costs are divided for each court. For example, one court may divide the penal funds and court costs evenly, with 50% retained by the court and 50% given to your library, while a second may retain 80% and give 20% to your library.

Court "A" ______________% Retained by court
______________% Received by Library

Court "B" ______________% Retained by court
______________% Received by library

Court "C" ______________% Retained by court
______________% Received by library

Court "D" ______________% Retained by court
______________% Received by library

Cooperative Library Membership

33. Is your library a member of a cooperative? ☐Yes ☐ No

If you answered "yes" to question #33, please continue.
If you answered "no" to question #33, resume this survey at question #38.

34. Of which cooperative are you a member? ______________________________

35. How much swing/indirect aid do you receive as a member of a cooperative?______________________________

What percentage of your total annual income does swing aid represent? ______________________________%

36. Please indicate how swing/indirect aid money is handled within your cooperative.
- ☐ 1. My library deposits swing aid with the cooperative where it is used to buy services.
- ☐ 2. My library is billed for specific services by the cooperative and swing aid is used to pay for these services.
- ☐ 3. My library sends all swing aid to the cooperative where it is used to provide services.
- ☐ 4. Other (please explain) ______________________________

____

37. A. What percentage of the swing/indirect aid received by your library is given to your cooperative library to provide for "the greater good" of the cooperative's members? ______________________________%

B. What percentage of the swing/indirect aid received by your library is used to directly purchase actual services from your cooperative? ______________________________%

38. What suggestions can you make for improving the use or distribution of swing/indirect aid?

____

____

39. What do you believe is the current role of Cooperatives, and how do you think this role will change in the future?

A. Current ______________________________

____

B. Future ______________________________

____

40. What do you believe is the current role of Regions of Cooperation (ROC), and how do you think this role will change in the future?

A. Current ______________________________

____

B. Future ______________________________

____

Tell us what you think.

41. What are the two most important recommendations you would offer to improve the stability and equity of public library funding in Michigan?

A. ____________________

B. ____________________

42. Are you interested in being contacted by the study team on this project for a phone interview, or to participate in a focus group to discuss stable and equitable funding sources for Michigan public libraries?

☐ Yes, please contact me. I am interested in sharing my ideas and concerns.

43. If you have any interesting anecdotes or stories that describe strange, bizarre, or inequitable public library funding patterns in the state of Michigan, please e-mail them to <gww5003@garnet.acns.fsu.edu>.

Addendum II

Public Library Funding Initiative Group (PLFIG)

Saul Amdursky
Kalamazoo Public Library
315 S. Rose Street
Kalamazoo, Michigan 49007
Email: saul@kpl.gov

Charles R. McClure
Information Use Management and Policy Institute
FSU School of Information Studies
226 Louis Shores Building
Tallahassee, Florida 32306-2100

June 29, 2000

Dear Library Director:

Michigan's Public Library Funding Initiative Group (PLFIG), in collaboration with The Information Use Management and Policy Institute at Florida State University, is conducting a cooperative research effort to study stable and equitable sources of public library funding in Michigan. The study is designed to analyze funding sources and practices currently employed in Michigan, identify exemplary models, and to ultimately strengthen public library growth and development in the state.

The success of this undertaking requires direct involvement by the public library community as participants in the study. Therefore, we need your assistance. To help us better understand the issues and impacts of current funding, we have prepared surveys as data collection instruments. As our records indicate that your library does not have Internet access, we have enclosed a hard copy of the Library Director Survey. However, the survey is also available electronically at http://www.kpl.gov/plfig/esurvey.html. Your participation is very important, and you are welcome to complete the survey in either format. The survey should take approximately 25-30 minutes to complete if the information is readily available. The time you invest in this project will be most helpful and greatly appreciated.

If you complete the hard copy, simply return it by mail in the enclosed postage paid envelope by July 12, 2000. You may use a #2 pencil or black ink to fill in the appropriate boxes. If you choose to complete the survey on-line, it will be submitted directly, and should be completed by July 14, 2000. Dave Simmons, Director and Library Developer of the White Pine Library Cooperative, has prepared line-by-line instructions for the survey; this is enclosed and is also posted on the website with the electronic version of the survey. Additionally, a glossary of key terms is enclosed.

Your participation in this study is completely voluntary and you may withdraw at any time. Your responses to this survey will be kept strictly confidential, and will be very useful in determining exemplary funding models for public libraries in the state of Michigan. The data for this study is being analyzed under the direction of Dr. Charles McClure of the Information Use Management and Policy Institute in the School of Information Studies at Florida State University.

We appreciate your participation in this important study. Results should be available through the PLFIG web site upon completion of the study this fall. Additionally, findings will be shared by an Executive Committee at the Michigan Library Association (MLA) Conference in October.

Sincerely,

Saul Amdursky
Chair, PLFIG Advisory Committee
Director, Kalamazoo Public Library

Charles R. McClure
Director, The Information Institute
Francis Eppes Professor, FSU

Addendum III

Michigan Public Library Director Survey
Glossary of Terms

Stable In this context, funding sources are firmly established, not changing or fluctuating in manner, form, or amount.

Equitable In the context of library funding, equitable describes a process whereby resources are distributed fairly for all concerned.

Contractual Areas This is an area directly related to penal fees. The Library of Michigan (LOM) states that nearly all the residents of Michigan receive and pay for library services, and do so in three ways:

1. Communities are served by a legally established library and pay a direct or indirect tax for that service,
2. An established library has a contract with a neighboring community that assigns penal fines, state aid, and a negotiated fee to provide services to those citizens, or
3. An established library has a contract with a neighboring community that assigns solely penal fines and state aid to provide service to its citizens.

Enterprise Zone Facility Enterprise Zones provide abatements in lieu of general property taxation for up to ten years after a business is certified as a qualified business.

Technology Park Facilities Technology Park Facilities provide abatements in lieu of general property taxation for up to twelve years after the completion of facilities granted exemption certificates within technology park districts. The net effect is a tax break of more than 50%.

Neighborhood Enterprise Zones (NEZ) Neighborhood Enterprise Zones provide tax relief for residential development in thirty economically depressed communities in Michigan. Different rules apply to rehabilitated property, new residential property, and rental property. However, the net effect is a tax break for property owners of more than 50% on all real estate taxes.

Industrial Facilities Tax (IFT) Industrial and Commercial Facilities Tax Abatements (IFT/CFT) are local decisions to provide tax abatements to individual businesses on real and personal property for specified time limits. For example, if a business promises to build a million dollar addition on their property and add 20 jobs to a community, a local commission might grant a seven-year, 50% abatement on real and personal property.

Local Development Financing Authority (LDFA) A municipal financing tool for cities, villages and urban townships (over 10,000 population) that allows property tax capture for public improvements. These are authorized for manufacturing (such as industrial parks), agricultural processing, co-generation plants, and groundwater cleanup facilities.

Downtown Development Authorities (DDA) Downtown Development Authorities (DDA) identify a segment of the community to establish it as a separate taxing district. Existing taxing entities like schools and public libraries continue to receive taxes on the original value of the DDA, but all new growth is siphoned off and used for additional DDA development. Generally, but not exclusively, DDAs exist in urban areas. The use of a DDA is a local municipal decision.

Tax Increment Financing Authorities (TIFA) Tax Increment Financing Authorities (TIFA) exist within a DDA. However, a TIFA may exist outside of a DDA under a variety of different state legislation. The TIFA is becoming increasingly popular in suburban areas, and is a local municipal decision. A base year of taxable value is established, and in subsequent years increases in taxable value are kept for improvements in the TIFA area only.

Brownfields Brownfield Reclamation Authorities are a relatively recent phenomenon. The state identifies some or all of a given community as a Brownfield. This means they are properties which have been polluted and abandoned by former owners. For all practical purposes, the land has no or very minimal value to a current tax base. Communities, primarily urban core cities, apply for various state and federal grants to make the property habitable and then offer 100% tax breaks to businesses to entice them to relocate. While there is minimal loss experienced by libraries initially through Brownfield redevelopment, libraries will not benefit from business growth in a Brownfield for the foreseeable future.

Depreciation Schedules on Personal Property The Michigan Department of Treasury has released proposed changes in the factors used to compute the assessed value of personal property based on its acquisition value and age. The changes expand the number of categories of personal property from seven to eleven and base the depreciation on a statistical study. The changes for most categories will result in faster depreciation, that could result in a 10% to 15% reduction in personal property taxes.

Addendum IV

Michigan Public Library Director Survey
Instruction Sheet

Line-by-line instructions or clarification for many of the survey questions are provided in bold italics. Key terms are defined on the enclosed glossary sheet.

Instructions

Library Information

Library Name: ______

Address: ______

______

Director's Name: ______

Phone: ______ E-Mail: ______

Library Classification Code (please mark one): ☐ I ☐ II ☐ III ☐ IV ☐ V ☐ VI

Funding

1. A. What is your library's total annual income for your library's legal service area for the most recent fiscal year? ______

If you are still collecting income in this fiscal year, report only the previous year's income.

B. What is the population of your legal service area? ______

Exclude any contractual service area populations (covered in the next question).

2. If you have contractual arrangements or are receiving payments for services to areas other than your legal service area, such as townships, villages, etc., please list each area served, and provide the figures requested. You are welcome to add additional lines as necessary.

Contractual area served ***Name of Township, Village, School District, etc.***

Population served ***Based on 1990 census***

Income received ***Based on most recent fiscal year completed.***

3. Indicate the percentage or appropriation of your library's total annual funding received from the following sources.

The percentages given should add up to 100%

______% Local Tax Millage ______% Penal Fines

______% Federal funding ______% Other

______% State Funding

4. What is included in the "other" sources of funding in question #2? ***Things such as Endowments, Bequests, Fines and fees, special grants, etc.***

Please indicate the IMPORTANCE of each of the following funding sources for your library by marking the appropriate number on the scale.

	Not at all Important	Somewhat Important	Moderately Important	Important	Absolutely Essential
5. LSTA Grants	☐1	☐2	☐3	☐4	☐5
6. State Funding	☐1	☐2	☐3	☐4	☐5
7. Swing Aid	☐1	☐2	☐3	☐4	☐5
8. Local Tax Millage	☐1	☐2	☐3	☐4	☐5
9. Penal Fine Revenue	☐1	☐2	☐3	☐4	☐5

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Please indicate the STABILITY of each funding source for your library by marking the appropriate number on the scale.

	Instable	Somewhat Unstable	Somewhat Stable	Stable
10. LSTA Grants	☐1	☐2	☐3	☐4
11. State Funding	☐1	☐2	☐3	☐4
12. Swing Aid	☐1	☐2	☐3	☐4
13. Local Tax Millage	☐1	☐2	☐3	☐4
14. Penal Fine Revenue	☐1	☐2	☐3	☐4

In your opinion, how EQUITABLE are the following funding sources? Please indicate your response by marking the appropriate number on the scale.

	Inequitable	Somewhat Inequitable	Absolutely Equitable	Equitable
15. LSTA Grants	☐1	☐2	☐3	☐4
16. State Funding	☐1	☐2	☐3	☐4
17. Swing Aid	☐1	☐2	☐3	☐4
18. Local Tax Millage	☐1	☐2	☐3	☐4
19. Penal Fine Revenue	☐1	☐2	☐3	☐4

Please indicate the DEGREE OF THREAT, if any, posed to your library funding due to the following tax levy exemptions by marking the appropriate number on the scale. Please notethat the amount of the exemptions may vary across jurisdictions in Michigan.

	High Threat	Moderate Threat	Low Threat	No Threat	Don't Know
20. Neighborhood Enterprise Zones	☐1	☐2	☐3	☐4	☐ Don't know
21. Enterprise Zone Facilities	☐1	☐2	☐3	☐4	☐ Don't know
22. Technology Park Facilities	☐1	☐2	☐3	☐4	☐ Don't know
23. Industrial Facilities Tax (IFT)	☐1	☐2	☐3	☐4	☐ Don't know
24. Local Development Financing Authorities (LDFA)	☐1	☐2	☐3	☐4	☐ Don't know
25. Downtown Development Authorities (DDA)	☐1	☐2	☐3	☐4	☐ Don't know
26. Tax Increment Financing Authorities (TIFA)	☐1	☐2	☐3	☐4	☐ Don't know
27. Brownfields	☐1	☐2	☐3	☐4	☐ Don't know
28. Depreciation Schedules on Personal Property	☐1	☐2	☐3	☐4	☐ Don't know
29. Other (Please describe) ____________	☐1	☐2	☐3	☐4	☐ Don't know

Penal Fines

30. Does your library's legal service area have a truck weigh station? ☐Yes ☐No

If so, what county has jurisdiction over the weigh station? ______________________________

31. How many District Courts operate within your county? ☐1 ☐2 ☐3

32. If there is just one (1) district court in your jurisdiction, please indicate how penal funds are court costs are divided. For example, are penal fines and court costs divided evenly between the court and the library system (50/50)? You may need to contact your local district court to obtain this information.

Courts Retain	☐10%	☐20%	☐30%	☐40%	☐50%	☐60%	☐70%	☐80%	☐90%	☐Unsure
Libraries Receive	☐10%	☐20%	☐30%	☐40%	☐50%	☐60%	☐70%	☐80%	☐90%	☐Unsure

Instructions

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If there is more than one district court in your jurisdiction, please indicate how penal funds and court costs are divided for each court. For example, one court may divide the penal funds and court costs evenly, with 50% retained by the court and 50% given to your library, while a second may retain 80% and give 20% to your library.

Court "A" ______________% Retained by court
______________% Received by Library

Court "B" ______________% Retained by court
______________% Received by library

Court "C" ______________% Retained by court
______________% Received by library

Court "D" ______________% Retained by court
______________% Received by library

Cooperative Library Membership

33. Is your library a member of a cooperative? ☐Yes ☐ No

If you answered "yes" to question #33, please continue.
If you answered "no" to question #33, resume this survey at question #38.

34. Of which cooperative are you a member? ______________________________

35. How much swing/indirect aid do you receive as a member of a cooperative? ______________________________

Swing/Indirect Aid refers to those state funds your library receives from the Library of Michigan and gives to the Cooperative in return for purchased services. Libraries receive 50¢ per capita in direct aid to libraries and an additional 50¢ per capita in Swing/Indirect Aid.

What percentage of your total annual income does swing aid represent? ______________________________%

Only include the Swing Aid portion, not the direct State Aid portion your library receives.

36. Please indicate how swing/indirect aid money is handled within your cooperative.
- ☐ My cooperative keeps it in an interest earning account; my library accesses this account to buy services.
- ☐ The swing aid is retained by my library to purchase services.
- ☐ Other (please explain) ______________________________

37. A. What percentage of the swing/indirect aid received by your library is given to your cooperative library to provide for "the greater good" of the cooperative's members? ______________________%

Base this on your Cooperative's FY 99-00 year. In other words, what percentage of the State Swing/Indirect Aid your library receives is used to support Administrative or Overhead costs to the Cooperative not associated with any single service or product?

B. What percentage of the swing/indirect aid received by your library is used to directly purchase actual services from your cooperative? ______________________%

38. What suggestions can you make for improving the use or distribution of swing/indirect aid?
____

39. What do you believe is the current role of Cooperatives, and how do you think this role will change in the future?
A. Current ____

B. Future ____

40. What do you believe is the current role of Regions of Cooperation (ROC), and how do you think this role will change in the future?
A. Current ____
B. Future ____

Instructions

BEST COPY AVAILABLE

Tell us what you think.

41. What are the two most important recommendations you would offer to improve the stability and equity of public library funding in Michigan?

A. ______________________________

B. ______________________________

42. Are you interested in being contacted by the study team on this project for a phone interview, or to participate in a focus group to discuss stable and equitable funding sources for Michigan public libraries?

☐ Yes, please contact me. I am interested in sharing my ideas and concerns.

43. If you have any interesting anecdotes or stories that describe strange, bizarre, or inequitable public library funding patterns in the state of Michigan, please e-mail them to <gww5003@garnet.acns.fsu.edu>.

Instructions

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Addendum V

Addendum V: Percentage of Source of Revenue by Class

	Class I	Class II	Class III	Class IV	Class V	Class VI
Local Tax Millage voted	36.43	42.11	37.56	54.25	52.11	54.35
Appropriated Tax Income	13.92	10.19	18.18	16.76	15.13	18.69
Contract Fees	0.29	2.63	0.71	1.57	2.67	0.96
Other Local Income	13.97	16.10	12.69	9.71	12.14	11.39
Federal Fuding	1.50	0.33	1.58	0.50	0.28	0.34
State Funding	3.88	4.33	4.09	3.62	3.54	6.94
Local Penal Fines	30.00	24.30	25.18	13.55	14.12	7.31

Addendum VI

"Other" Sources of Funding for Michigan's Public Libraries

Michigan Public Library Director Survey

Item #4: What is included in the "other" sources of (total annual) funding in item #3?

Category of "Other" Funding Source	*Frequency of Response*
Fines (e.g., overdue books)	164
Penal Fines (?)	2
Fees	
General Fees (e.g. non-resident fees)	78
Materials Books Replacements	19
Library Card Replacement	3
Interest (from savings accounts, CDs, trusts, investments, etc.)	124
Oil Royalties	1
Contributions (Memorials, donations, etc)	159
Grants	38
Service Fees	
Photocopier Fees	81
Rental fees (e.g., videos, room rentals, AV rentals, music rentals, etc.)	53
Fax Fees	28
Computer fees (e.g. printer, scanner, Internet, CD Rom, Data Entry, Microform printing)	13
Laminating and Binding Fees	4
Telephone fees	2
Patron Postage	1
Sales	
Book Sales	26
Sale of Fixed Assets	4
Sale of Merchandise	3
Local History Book Sales	2
Video Sales	1
Other (concession vending, non-specified, misc., etc.)	17
Contracts	
Contracts (none specified)	10
Contracted Townships	8
City Contract	2
Law Library Contract	1
Contracted Appropriated tax	1

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Bloomfield Hills Contract	1
County Contract	1
Service Contacts with the Coop	1
Non-Contractual Income	1
Local Contributions/Appropriations	
Township Contributions	14
County Contributions	8
City Contributions	5
Village Contributions	1
Unspecified "Appropriations"	1
Restricted Local Funds	1
Local Foundations	1
School District	1
Municipal Finance Reform Efforts	
Single Business Tax	11
IFT/CFT Revenue	2
Capital Improvement Reserve	1
Sales tax (?)	1
Taxes Not in Levy	1
OCLC Fees (?)	1
Renaisssance Zone Tax (?)	1
County Wide Millage	1
Refunds and Rebates	12
Reimbursements	8
Interlibrary Loan Efforts	5
Misc./Etc.	40
Other	9
Fund Raisers	2

Addendum VII

Addendum VII: *Funding Importance by Class*

LSTA Importance	Class I	Class II	Class III	Class IV	Class V	Class VI
1	24.32	19.05	24.14	31.82	28.13	41.46
2	21.62	35.71	25.86	29.55	34.38	26.83
3	16.22	16.67	24.14	20.45	12.50	19.51
4	8.11	14.29	20.69	11.36	15.63	9.76
5	29.73	14.29	5.17	6.82	9.38	2.44
Total	100.00	100.00	100.00	100.00	100.00	100.00

Penal Fine Revenue Importance	Class I	Class II	Class III	Class IV	Class V	Class VI
1	0.00	0.00	0.00	0.00	0.00	2.44
2	0.00	0.00	0.00	2.27	6.25	12.20
3	7.89	6.67	3.39	15.91	6.25	19.51
4	7.89	6.67	16.95	25.00	21.88	36.59
5	84.21	86.67	79.66	56.82	65.63	29.27
Total	100.00	100.00	100.00	100.00	100.00	100.00

Local Tax Millage Importance	Class I	Class II	Class III	Class IV	Class V	Class VI
1	11.76	11.36	10.91	9.30	0.00	4.88
2	2.94	2.27	0.00	0.00	0.00	0.00
3	2.94	0.00	1.82	0.00	3.23	0.00
4	8.82	9.09	3.64	4.65	3.23	2.44
5	73.53	77.27	83.64	86.05	93.55	92.68
Total	100.00	100.00	100.00	100.00	100.00	100.00

State Funding Importance	Class I	Class II	Class III	Class IV	Class V	Class VI
1	2.78	2.27	1.67	0.00	0.00	2.44
2	22.22	18.18	15.00	29.55	25.00	14.63
3	16.67	18.18	26.67	20.45	31.25	31.71
4	13.89	15.91	21.67	22.73	18.75	31.71
5	44.44	45.45	35.00	27.27	25.00	19.51
Total	100.00	100.00	100.00	100.00	100.00	100.00

SwingAid Importance	Class I	Class II	Class III	Class IV	Class V	Class VI
1	15.15	2.56	8.77	2.44	6.25	7.50
2	15.15	15.38	12.28	19.51	18.75	20.00
3	15.15	15.38	21.05	19.51	28.13	25.00
4	15.15	25.64	24.56	31.71	18.75	32.50
5	39.39	41.03	33.33	26.83	28.13	15.00
Total	100.00	100.00	100.00	100.00	100.00	100.00

Addendum VIII

Addendum VIII: *Perceived Stability of Funding Source by Class*

LSTA Grants	**Class I**	**Class II**	**Class III**	**Class IV**	**Class V**	**Class VI**
1	42.86	57.50	40.35	69.77	62.50	65.85
2	32.14	25.00	43.86	20.93	18.75	24.39
3	21.43	15.00	15.79	9.30	18.75	9.76
4	3.57	2.50	0.00	0.00	0.00	0.00
Total	100.00	100.00	100.00	100.00	100.00	100.00
State Funding	**Class I**	**Class II**	**Class III**	**Class IV**	**Class V**	**Class VI**
1	5.26	4.76	7.02	4.65	6.25	0.00
2	5.26	28.57	22.81	9.30	15.63	26.83
3	63.16	50.00	54.39	76.74	68.75	63.41
4	26.32	16.67	15.79	9.30	9.38	9.76
Total	100.00	100.00	100.00	100.00	100.00	100.00
Swing Aid	**Class I**	**Class II**	**Class III**	**Class IV**	**Class V**	**Class VI**
1	12.50	14.29	16.07	2.50	6.25	4.88
2	6.25	23.81	23.21	12.50	21.88	26.83
3	59.38	47.62	46.43	77.50	65.63	58.54
4	21.88	14.29	14.29	7.50	6.25	9.76
Total	100.00	100.00	100.00	100.00	100.00	100.00
Local Tax Millage	**Class I**	**Class II**	**Class III**	**Class IV**	**Class V**	**Class VI**
1	9.68	9.76	14.81	11.90	3.23	2.50
2	3.23	4.88	7.41	2.38	3.23	5.00
3	35.48	43.90	38.89	42.86	54.84	52.50
4	51.61	41.46	38.89	42.86	38.71	40.00
Total	100.00	100.00	100.00	100.00	100.00	100.00
Penal Fine Revenue	**Class I**	**Class II**	**Class III**	**Class IV**	**Class V**	**Class VI**
1	10.26	36.36	27.59	14.29	15.63	19.51
2	35.90	18.18	36.21	57.14	56.25	43.90
3	43.59	38.64	29.31	28.57	28.13	34.15
4	10.26	6.82	6.90	0.00	0.00	2.44
Total	100.00	100.00	100.00	100.00	100.00	100.00

Addendum IX

Addendum IX: *Overall Perception of Funding Source Equity*

LSTA	**% Overall**	**Penal Fine Revenue**	**% Overall**	**Local Tax Millage**	**% Overall**
1	30.04	1	33.33	1	14.77
2	32.19	2	25.97	2	16.03
3	33.05	3	32.17	3	37.97
4	4.72	4	8.53	4	31.22
Total	**100.00**	**Total**	**100.00**	**Total**	**100.00**

State Funding	**% Overall**	**Swing Aid**	**% Overall**
1	10.84	1	12.39
2	13.25	2	13.68
3	56.63	3	55.13
4	19.28	4	18.80
Total	**100.00**	**Total**	**100.00**

Addendum X

Addendum X: *Perceived Equity of Funding Source by Class*

LSTA	**Class I**	**Class II**	**Class III**	**Class IV**	**Class V**	**Class VI**
1	26.47	28.57	27.59	34.21	33.33	31.71
2	32.35	25.71	32.76	31.58	33.33	36.59
3	32.35	37.14	36.21	31.58	29.63	29.27
4	8.82	8.57	3.45	2.63	3.70	2.44
Total	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**

State Funding	**Class I**	**Class II**	**Class III**	**Class IV**	**Class V**	**Class VI**
1	10.53	7.32	12.96	13.95	9.38	9.76
2	21.05	12.20	14.81	18.60	12.50	0.00
3	50.00	46.34	61.11	58.14	53.13	68.29
4	18.42	34.15	11.11	9.30	25.00	21.95
Total	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**

Swing Aid	**Class I**	**Class II**	**Class III**	**Class IV**	**Class V**	**Class VI**
1	7.14	10.53	16.67	14.63	12.50	9.76
2	14.29	15.79	14.81	17.07	18.75	2.44
3	57.14	42.11	59.26	56.10	46.88	65.85
4	21.43	31.58	9.26	12.20	21.88	21.95
Total	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**

Local Tax Millage	**Class I**	**Class II**	**Class III**	**Class IV**	**Class V**	**Class VI**
1	6.45	9.52	15.09	19.51	9.68	25.64
2	6.45	9.52	15.09	24.39	16.13	23.08
3	35.48	45.24	43.40	36.59	41.94	23.08
4	51.61	35.71	26.42	19.51	32.26	28.21
Total	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**

Penal Fine Revenue	**Class I**	**Class II**	**Class III**	**Class IV**	**Class V**	**Class VI**
1	10.26	27.27	38.98	32.56	31.25	56.10
2	25.64	25.00	16.95	37.21	37.50	19.51
3	46.15	34.09	35.59	30.23	28.13	17.07
4	17.95	13.64	8.47	0.00	3.13	7.32
Total	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**

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Addendum XI

Addendum XI: *Perceived Threats to Library Funding from Tax Levies Overall*

Neighborhood Enterprise Zones	**% Overall**	**Downtown Development Authority (DDA)**	**% Overall**
1	0.80	1	8.87
2	5.22	2	17.34
3	15.66	3	25.40
4	42.17	4	25.40
Do not know	36.14	Do not know	22.98
Total	100.00	Total	100.00
Enterprise Zone Facilities	**% Overall**	**Tax Increment Financing Authority (TIFA)**	**% Overall**
1	0.80	1	7.91
2	6.80	2	14.23
3	16.80	3	15.42
4	40.40	4	30.43
Do not know	35.20	Do not know	32.02
Total	100.00	Total	100.00
Technology Park Facilities	**% Overall**	**Brownfields**	**% Overall**
1	1.61	1	3.72
2	7.23	2	9.50
3	18.47	3	12.81
4	36.55	4	30.17
Do not know	36.14	Do not know	43.80
Total	100.00	Total	100.00
Industrial Facilities Tax (IFT)	**% Overall**	**Depreciation Schedules on Personal Property**	**% Overall**
1	6.39	1	10.40
2	16.17	2	15.20
3	16.54	3	20.80
4	27.07	4	12.80
Do not know	33.83	Do not know	40.80
Total	100.00	Total	100.00
Local Development Financing Authorities (LDFA)	**% Overall**	**Other**	**% Overall**
1	4.05	1	12.23
2	12.55	2	5.04
3	17.81	3	0.72
4	29.15	4	15.83
Do not know	36.44	Do not know	66.19
Total	100.00	Total	100.00

Addendum XII

Addendum XII: ***Perceived Threat from Tax Levy Exemptions by Class***

Neighborhood Enterprise Zones	Class I	Class II	Class III	Class IV	Class V	Class VI
1	0.00	0.00	0.00	0.00	3.33	2.44
2	8.33	0.00	7.14	4.76	3.33	7.32
3	5.56	15.91	12.50	35.71	6.67	14.63
4	41.67	20.45	46.43	40.48	63.33	46.34
Do not know	44.44	63.64	33.93	19.05	23.33	29.27
Total	100.00	100.00	100.00	100.00	100.00	100.00

Enterprise Zone Facilities	Class I	Class II	Class III	Class IV	Class V	Class VI
1	0.00	0.00	0.00	2.38	3.33	0.00
2	7.32	0.00	8.93	9.52	3.33	10.26
3	7.32	16.67	14.29	33.33	13.33	15.38
4	46.34	21.43	42.86	35.71	56.67	43.59
Do not know	39.02	61.90	33.93	19.05	23.33	30.77
Total	100.00	100.00	100.00	100.00	100.00	100.00

Technology Park Facilities	Class I	Class II	Class III	Class IV	Class V	Class VI
1	0.00	0.00	1.79	2.44	3.33	2.38
2	2.78	0.00	5.36	21.95	3.33	9.52
3	8.33	18.18	17.86	24.39	23.33	19.05
4	44.44	18.18	41.07	34.15	43.33	40.48
Do not know	44.44	63.64	33.93	17.07	26.67	28.57
Total	100.00	100.00	100.00	100.00	100.00	100.00

Industrial Facilities Tax (IFT)	Class I	Class II	Class III	Class IV	Class V	Class VI
1	2.78	0.00	8.33	12.77	6.25	6.38
2	8.33	11.36	11.67	14.89	31.25	23.40
3	5.56	15.91	16.67	10.64	28.13	23.40
4	33.33	22.73	33.33	34.04	15.63	19.15
Do not know	50.00	50.00	30.00	27.66	18.75	27.66
Total	100.00	100.00	100.00	100.00	100.00	100.00

Local Development Financing Authorities (LDFA)	Class I	Class II	Class III	Class IV	Class V	Class VI
1	2.78	4.65	3.51	2.44	3.33	7.50
2	8.33	4.65	12.28	14.63	30.00	10.00
3	5.56	16.28	17.54	12.20	30.00	27.50
4	33.33	23.26	35.09	39.02	16.67	22.50
Do not know	50.00	51.16	31.58	31.71	20.00	32.50
Total	100.00	100.00	100.00	100.00	100.00	100.00

Addendum XII: *Perceived Threat from Tax Levy Exemptions by Class (continued)*

Downtown Development Authority (DDA)	Class I	Class II	Class III	Class IV	Class V	Class VI
1	2.78	2.33	10.71	14.29	16.13	7.50
2	2.78	6.98	19.64	21.43	22.58	30.00
3	16.67	25.58	19.64	33.33	35.48	25.00
4	33.33	27.91	33.93	16.67	16.13	20.00
Do not know	44.44	37.21	16.07	14.29	9.68	17.50
Total	100.00	100.00	100.00	100.00	100.00	100.00
Tax Increment Financing Authority (TIFA)	Class I	Class II	Class III	Class IV	Class V	Class VI
1	2.44	4.76	7.27	11.90	12.50	9.76
2	7.32	4.76	10.91	16.67	31.25	19.51
3	4.88	9.52	14.55	30.95	12.50	19.51
4	41.46	21.43	36.36	23.81	28.13	29.27
Do not know	43.90	59.52	30.91	16.67	15.63	21.95
Total	100.00	100.00	100.00	100.00	100.00	100.00
Brownfields	Class I	Class II	Class III	Class IV	Class V	Class VI
1	0.00	0.00	5.36	2.56	6.90	7.50
2	2.78	9.52	8.93	7.69	20.69	10.00
3	8.33	4.76	8.93	25.64	13.79	17.50
4	27.78	19.05	37.50	33.33	24.14	35.00
Do not know	61.11	66.67	39.29	30.77	34.48	30.00
Total	100.00	100.00	100.00	100.00	100.00	100.00
Depreciation Schedules on Personal Property	Class I	Class II	Class III	Class IV	Class V	Class VI
1	0.00	4.88	9.09	21.43	6.45	17.39
2	11.43	7.32	12.73	19.05	25.81	17.39
3	11.43	9.76	23.64	23.81	29.03	26.09
4	17.14	9.76	18.18	7.14	9.68	13.04
Do not know	60.00	68.29	36.36	28.57	29.03	26.09
Total	100.00	100.00	100.00	100.00	100.00	100.00
Other	Class I	Class II	Class III	Class IV	Class V	Class VI
1	17.39	3.57	12.90	20.00	10.53	11.11
2	0.00	7.14	0.00	5.00	21.05	0.00
3	0.00	0.00	0.00	0.00	0.00	5.56
4	17.39	7.14	22.58	5.00	15.79	27.78
Do not know	65.22	82.14	64.52	70.00	52.63	55.56
Total	100.00	100.00	100.00	100.00	100.00	100.00

Addendum XIII

Other Perceived Threats to Library Funding

Michigan Public Library Director Survey

Question #29: "Other" Threats posed to your library funding

Tax Related	Frequency
Headlee	9
P.A. 328 (100% Abatements)	1
Loss of Farmland	1
Agricultural Rennisance Zones	1
Commercial Businesses Closing	2
Drop in Population	1
Competition with other local services for county tax revenue	1
County Truth in Taxation Hearings	1
Expiring County Taxes	1
Large Businesses Contesting Property Valuations	1

Penal Fine Related	Frequency
Encroachment on Penal Fines	1
Penal Fine Distribution	2

Economy Other	Frequency
Decrease in local contributions due to economy politics	2

Addendum XIV

Suggestions for Improved Distribution of Swing Aid

Michigan Public Library Director Survey

Item #38: What suggestions can you make for improving the use or distribution of Swing/Indirect Aid

	Frequency of Response per Library Class						
Response	*1*	*2*	*3*	*4*	*5*	*6*	*Total*
Satisfied with current arrangement	4	3	4	3	3	4	21
Bill for services used only	2		2	1	4	5	14
Stabilize distribution and Increase funding	2	1	2	4	1	1	11
Increase state aid to coops (fund fully)		1	2	4		3	10
Send aid directly to the cooperative	1		2	1	2		6
Provide base funding to coops for core essential services. use state aid for additional services as needed	2			2	2		6
Eliminate State/Indirect Aid			1	2	1	2	6
Decrease costs by allowing group purchase of services			1	2	1	2	6
Aid should be based upon both population and geography				1	1	3	5
Allow public library purchases to be from most cost effective source (which may be outside their coop)						1	1
At least half the aid should go directly to the coops for the "greater good"				1			1
Libraries should develop better relationships with their coop representatives						1	1
Aid money should be distributed in one check instead of two.			1				1
No suggestions	3	3	4		2	3	15

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Addendum XV

Perceptions of the Current Roles of Cooperatives

Michigan Public Library Director Survey

Item #39: What do you believe is the current role of Cooperatives, and how do you think this role will change in the future?

	Frequency of response per Library Class						
	1	**2**	**3**	**4**	**5**	**6**	**Total**
Support							
Shared Costs	6	8	11	14	10	6	**55**
Shared Resources	3	3	11	13	4	9	**43**
General Support	5	7	5	3	3	1	**24**
Shared Automation			5	2	3	5	**15**
Unifier/Facilitator							
Dissemination of Information (Communication)	4	5	9	9	1	1	**29**
Coordinator of Services	6		7	7	3	5	**28**
Strength in Numbers	2	1	5	1	2	1	**12**
Networking	1	2	2	2	1	2	**10**
Clearinghouse/Hub for Input and Collaboration	4			2	1	1	**8**
A place to Share Ideas	2	1	1		1	1	**6**
Leadership and Consultation							
Technical Help and Consultation	4	10	10	7	3	3	**37**
Professional Leadership	4	4	10	7	4	2	**31**
Advocacy	2	2		2	1	2	**9**
Lobbying	1	1	3	2		1	**8**
Policy Consultation	1			3	1		**5**
Provider							
Provider of CEUs and Training							
Inter Library Loan Service Provider (ILL)	5	11	16	8	9	5	**54**
Provider of Services	6	4	11	9	10	4	**44**
Delivery Services	3	3	6	4	5	5	**26**
Creation and Maintenance of the Union Database	2	5	2	3	5	2	**19**
Grant Source and Assistance in Obtaining Grants	5		5	3	3		**16**

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Addendum XVI

Perceptions of the Future Roles of Cooperatives

Michigan Public Library Director Survey

Item #39: What do you believe is the current role of Cooperatives, and how do you think this role will change in the future?

Frequency of response per Library Class

	1	2	3	4	5	6	Total
Increased Role							
Increase in Technology/Technical Facilitation	10	5	6	7	5	7	40
General Increase in Involvement with the Public Libraries	4	2	18	7	2	4	37
Increased Multi-type interaction, cooperation, and facilitation			2	1	3	2	8
Databases expanded to statewide				2		2	4
Increased Communication with the Library of Michigan (LOM)	1					1	2
Focus on Smaller Libraries						1	1
Increased Collaboration with other Coops						1	1
Same Role as Current							
Provision of Training/Workshops/CEUs (incl. distance learning)	11	12	10	13	3	6	55
Shared Costs	4	6	6	5	4	3	28
General Support	5	4	7	2	3	3	24
Provision of Services	3	1	7	7	5		23
Inter Library Loan (ILL)	5	6	4	2	1	5	23
Delivery	3	5	2	1	1	7	19
Advisory/Consultant Role	6	5	3	3	1	1	19
Facilitator/Coordinator	3		3	5	5	2	18
Shared Resources		1	8	5	1	2	17
Technology/Technical Facilitation		7	2	4		1	14
Maintenance of Union Database	3	5		3	2	1	14
Centralized Automation		1	6			7	14
Advocacy	1	5	3	1	1	2	13
Communication Sharing of Ideas	2	3	2	4	1	1	13
Assistance with Grants/Funding Resources	3	1	3	4	1		12
Information Clearinghouse	2	2	2	3	1	1	11
Professional Leadership	2	1	2	3		1	9
Networking	2	2	1	2		2	9
Lobbying	1	1	2	1		3	8
"Strength in Numbers"	1		1	1	2	1	6
No Change							
No Change in the future role of coops anticipated/perceived	5	5	8	10	9	10	47
Declining Role							
General decline in role		2		2	1		5
Decreased role in providing training CEUs			1			1	2
Decreased emphasis on provision of services			1	1			2
Sizes of Coops reduced to increase "working together" mentality			1				1
Interaction with smaller libraries viewed as a "burden." Therefore, relationships with smaller libraries will decrease.		1					1
Elimination							
Coops will become obsolete	2	1		1			4
Cooperatives get "out of the ILL business"						1	1

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Addendum XVII

Future Perceived Roles of ROCs

Michigan Public Library Director Survey

Item #39B: How do you think the role of ROCs will change in the future?

	Frequency of Responses per Class						
	1	2	3	4	5	6	Total
Provider of Services							
Provide online databases and catalogues			2	2		3	**7**
Provide Inter Library Loan (ILL) services		1	3			2	**6**
Provide communication link between libraries	1	1					**2**
Provide training opportunities			1				**1**
Provide in-depth research capabilities						1	**1**
Provider of Resources							
Sharing Resources	1	2	1	3			**7**
Provide Grants			1				**1**
Coordinator							
Coordination with Coops			3	4		2	**9**
General Support		2	1				**3**
Networking		1					**1**
ROCs have no future (They will be phased out)	3	2	2	3	7	7	**24**
ROCs will either merge *or* disband		2	1	8	6	3	**20**
Don't know/Unsure	3	1	3	2	3	1	**13**
Role of ROCs will increase in the provision of technical assistance			2	1		1	**4**
ROCs will merge with other types of libraries	1		3				**4**
No change in the role of ROCs			1		1	2	**4**
ROCs will play an Increased Role	1			1			**2**

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Perceptions of the Current Roles of Regions of Cooperation

Michigan Public Library Director Survey

Item #40: What do you believe is the current role of the Regions of Cooperation (ROCs), and how do you think this role will change in the future?

	Frequency of response per Library Class						
	1	2	3	4	5	6	Total
Increased Role							
Increase in Technology/Technical Facilitation	10	5	6	7	5	7	40
General Increase in Involvement with the Public Libraries	4	2	18	7	2	4	37
Increased Multi-type interaction, cooperation, and facilitation			2	1	3	2	8
Databases expanded to statewide				2		2	4
Increased Communication with the Library of Michigan (L.O.M.)	1					1	2
Focus on Smaller Libraries						1	1
Increased Collaboration with other Coops						1	1
Same Role as Current							
Provision of Training/Workshops/CEUs (incl. distance learning)	11	12	10	13	3	6	55
Shared Costs	4	6	6	5	4	3	28
General Support	5	4	7	2	3	3	24
Provision of Services	3	1	7	7	5		23
Inter Library Loan (ILL)	5	6	4	2	1	5	23
Delivery	3	5	2	1	1	7	19
Advisory/Consultant Role	6	5	3	3	1	1	19
Facilitator/Coordinator	3		3	5	5	2	18
Shared Resources		1	8	5	1	2	17
Technology/Technical Facilitation		7	2	4		1	14
Maintenance of Union Database	3	5		3	2	1	14
Centralized Automation		1	6			7	14
Advocacy	1	5	3	1	1	2	13
Communication/Sharing of Ideas	2	3	2	4	1	1	13
Assistance with Grants/Funding Resources	3	1	3	4	1		12
Information Clearinghouse	2	2	2	3	1	1	11
Professional Leadership	2	1	2	3		1	9
Networking	2	2	1	2		2	9
Lobbying	1	1	2	1		3	8
"Strength in Numbers"	1		1	1	2	1	6
No Change							
No Change in the future role of coops anticipated/perceived	5	5	8	10	9	10	47
Declining Role							
General decline in role		2		2	1		5
Decreased role in providing training CEUs			1			1	2
Decreased emphasis on provision of services			1	1			2
Sizes of Coops reduced to increase "working together" mentality			1				1

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Interaction with smaller libraries viewed as a "burden." Therefore, relationships with smaller libraries will decrease.		1					1
Elimination							
Coops will become obsolete	2	1		1			4
Cooperatives get "out of the ILL business"						1	1

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Addendum XVIII

Recommendations for Improving the Stability and Equity of Funding for Michigan Public Libraries

Michigan Public Library Director Survey

Item #41: What are the two most important recommendations you would offer to improve the stability and equity of public library funding in Michigan?

	Frequency of response per Library Class						
	1	**2**	**3**	**4**	**5**	**6**	**Total**
Funding Source							
Increase Funding through State Aid	12	11	10	20	10	9	72
Find a Stable/Equitable *Alternative* to Penal Fines	4	7	10	9	10	11	51
Fund through a State Tax (e.g., income tax, tax on junk food, etc.)	2	3	9	4	4	9	31
Find an Alternate Equitable and Stable Funding Source (which other agencies cannot touch)	7	6	8	3	3	1	28
Revamp and Continue Penal Fine Funding	3	3	8	7	4	2	27
Copy a successful funding model (14 specify Ohio)		3	4	4	4	1	16
Provide adequate base funding to all libraries and additional funding for specific needs	2	2	2	3	2	2	12
Provide additional funding for small libraries	3	2	1	1	1		8
Fund Coops Fully so they can provide the essentials. Then, "Swing Aid" could be used for services beyond essential needs.	3	1		1	1		6
Eliminate Penal Fine Funding	1	2	2				5
Provide additional local funding	1		2				3
Make Federal Revenue available for all libraries	1			1			2
Replace LSTA Grants		1	1				2
Create a "fairer" system for Grants		1					1
State reimbursement for internet connections			1				1
Changes in Laws							
Reexamine millage and millage formulas		1	6	2	1		10
Pass legislation mandating local and state funding	1	3	1				5
Libraries receive exemption from property tax caps (Headlee, DDA, LFTA, Brownfield, etc.)			2	1	2		5
Consolidate Libraries					1	3	4
Streamline, Consolidate, and Update Laws regarding Public Libraries				1	1		2
Protect any new funding sources by incorporation into a constitutional amendment						2	2
Strengthen local legal obligations to be met before state funding is made available						2	2
Amend District Library Law to allow easier expansion of districts		1					1
Allow libraries to charge non-taxpaying users for services.			1				1
Exempt Libraries for taxes (as schools are exempt)						1	1
Changes in Relationships							
Create "One Voice" for Libraries (e.g. resource sharing among libraries, multi-type cooperation, etc.)		1		1	3		5
Strengthen relationship between Libraries and Legislative bodies	1		1				1

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Distribution of Funding							
Base distribution of funds on population	3	2	2	1		2	8
"Hold Harmless" all libraries	1		1		2	3	7
Fund areas not covered by districts		1	1	1			3
Base distribution of funds on average income of population	1						1
Base distribution of funds on need				1			1
Changes in Roles							
Smaller role for Cooperatives			1				1
Larger role for the Library of Michigan (LOM)				1			1
Rewards/Incentives							
Establish "Benchmarks of Quality Service" and plan funding to provide incentives for meeting them					1	2	3
Provide incentive/rewards to libraries who hire/retain professional librarians or who sponsor ongoing education.				1			1
Programs							
Maintain Access Michigan		2		2		1	5
Eliminate Michicard until funding issues are solved	1						1
Institute a state-wide delivery system for all			1				1
Approaches							
Rally on the state level (lobby)			2		1		3
Recruit a famous spokes person for public relations		1					1

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Chapter Six

Site Visits

Overview

The site visits conducted by the study team provided an opportunity for interaction with librarians, trustees, friends, citizens, government officials, and others interested in improving public library services throughout the state. The site visits revealed that significant issues which need to be addressed regarding public library funding include the following: (1) Statewide leadership and vision, (2) Problems associated with political wrangling, (3) Issues of complacency, (4) The necessity of educational programming for both librarians and state residents as to the importance of public libraries, and (5) The role of the Library of Michigan.

The site visits also presented an opportunity for participants to discuss possible solutions and strategies for resolving the issues and moving forward. Notably, there is increasing recognition within the library community, and throughout the state, that public libraries are in a crisis and action is necessary if public libraries are not to become moribund. Of the number of possible strategies to enact, there is wide support for developing an initiative, which would fund numerous statewide library programs and services benefiting all of Michigan's citizens.

Background and Methodology

As part of the Michigan Public Library Funding Initiative (PLFIG), the study team conducted site visits to collect primary data from library directors and other interested parties. The purpose of these visits was to solicit information regarding the current state of public library funding, identify key issues and concerns, to build consensus around potential next steps, and to raise public awareness of these issues. PLFIG weighed several factors in selecting site locations, including geographic distribution and engagement of a wide variety of library types and user communities, e.g., urban/rural, large/small. Considering the vast distances in Michigan, the goal was to attract representatives from a cross-section of public libraries in order to garner a range of perspectives.

Each site visit included three key components:

1. *Interviews* with key staff from the host library, i.e., library director, chief financial officer, head of public services;
2. *Focus group* of approximately two hours comprised of library directors from the region, including a written survey as part of the session; and
3. *Public hearings* for approximately two hours during which all interested parties could participate. Written comments received by 25 September were also accepted.

Addendum I provides detailed information about procedures and guidelines for participating in the hearings. These were distributed to potential participants and posted to PLFIG list prior to the actual hearings.

Data from previous meetings, as well as the public library and cooperative director surveys (July 2000, please see the Cooperative Library Survey Director Survey in Appendix VI, and the responding report in Appendix VII), were used to develop a list of key discussion topics for the site visits. The research team conducted seven site visits and one conference call during the month of September 2000. On September 8 a group interview was conducted via conference call with cooperative directors. From September 15-22, Charles McClure, Denise Kleinman, and Jeff Johnson collectively conducted and facilitated site visits throughout the state. Table 6-1 summarizes the locations and participants at the site visits.

This chapter paraphrases comments made during the interviews and focus groups by library directors and staff who represented libraries of all class sizes and geographic areas. It also highlights key themes and comments made during the public hearings, which were comprised of library staff, trustees, friends, and citizens. Throughout these site visits there was considerable agreement among participants as to key issues and possible solutions regarding public library funding in the state of Michigan.

Table 6.1: ***Site Locations and Participants***

Site Visit Locations	# of Focus Group Participants per site	# of Hearing Participants
Coop. Directors, (via phone), 9/8	11	n/a
Escanaba, 9/15	7	3
Saginaw, 9/18	10	41
Muskegon, 9/19	8	21
Detroit, 9/20	9	15
Livonia, 9/20	N/a	8
Cadillac, 9/21	12	9
Lansing, 9/22	8	20
Total # of Site Visits: 8	**Total # of Group Participants: 65**	**Total # of Hearing Participants: 117**

Comments made by participants at focus group and/or hearings are frequently bulleted within this chapter. These annotations are referred to as *Selected Remarks* and are either paraphrased or direct quotes.

Interviews and Focus Groups: Major Themes and Selected Remarks

The interviews and focus group discussions concentrated on the existing fiscal issues facing Michigan public libraries as well as on proposed solutions. Repeated motifs occurred during the discussions of existing funding structures. These themes focused on the following:

1. Political wrangling among libraries;
2. Contractual areas pit libraries against each other and local officials;
3. Overall levels of state aid are too low;
4. Cooperatives are struggling financially and unable to satisfy all members;
5. Legislative climate: libraries have been invisible in the state house;
6. Tax abatements are crippling some library budgets; and,
7. The Library of Michigan does not serve as a State Library.

Repeated motifs were also noted during discussions centering on proposed solutions to problematic areas in Michigan's public library funding structures. These themes focuses on the following:

1. In order to achieve long-term stability and equity of funding, certain "precursor issues" such as the following must be addressed:
   A. Leadership;
   B. Vision;
   C. Education;
   D. Promotion;
   E. Complacency/Poor Attitude; and,
   F. Accountability.
2. Proposed solutions to these areas included the following three components, which will be discussed further later in the chapter as well as in Chapter Seven:
   A. A short-term financial "Band-Aid" or cash infusion to benefit public libraries statewide;
   B. A long term comprehensive overhaul of state laws and regulations related to public library funding; and,
   C. A short-term but comprehensive development initiative of programs that would benefit all public libraries.

Again, each of these issues and possible solutions are discussed in greater detail on the following pages.

Factors Influencing Existing Funding Structures

The participants identified and discussed a number of factors that influence the manner and success in which Michigan funds public libraries. The factors discussed in this section were those most often mentioned.

Political Wrangling

The existing laws governing Michigan public libraries are ambiguous, confusing, and contradictory. There are at least seven different ways to establish libraries, each with individual funding structures. This decentralized approach to library development and funding is a direct cause of the competition and "lack of cooperative spirit" among Michigan libraries. Librarians coming from other states mentioned their surprise with the antagonistic climate in Michigan public libraries. Most librarians were weary of the wrangling, and recognize that it damages all involved parties, including library users. Much of the political wrangling occurs in the context of "us versus them." Many participants feel that PLFIG is a positive reflection of a new attitude, and are committed to moving forward.

Selected Remarks

- Money is the root of the problem. There are significant differences in service objectives between large and small libraries, and, therefore, disagreements about how to prioritize funds.
- Libraries having the least to offer do not want to give up control, therefore, "local nationalism" prevails.
- There is the large versus the small libraries; the Class VI libraries versus everyone else; the Detroit suburbs versus Detroit Public Library; the Upper Peninsula versus the "down-staters," and so on. No individual entities seem to be for *all* public libraries.
- Library infighting is intensified by local politics. Libraries must choose "which ring to fight in," (e.g., school district, city council, county board, etc.). One city librarian stated, "I'm behind police, fire, and garbage." These fault lines can strain relationships with other libraries.

Contractual Library Service Areas

Michigan residents are noted for their desire to sustain local control, a fact mentioned in every focus group. This culture of working to build local control "protects the smallest unit of government" as reflected in all government services. Contractual areas exacerbate library turf battles, since township officials are often poorly equipped to evaluate library services. Some areas choose to maintain small libraries with a minimal budget (e.g., only use penal fines and state aid). Others "shop around" for the best contract with libraries in neighboring districts, and, in some cases, even issue Requests for Proposals.

Librarians described township officials who boast about paying nothing for library service. Frustrated with this inequitable situation, some libraries refuse contracts unless townships are willing to "pony up" and pay the same millage as the taxed district. Conversely, some libraries may accept contracts purely for the extra cash, and admit that service to the contractual area is inferior.

Contractual areas are also confusing to the public. The public does not understand overlapping municipal boundaries (e.g., district libraries vs. townships vs. school districts). Library directors deal with these misperceptions on a regular basis.

Selected Remarks:

- The library next door to me offered to provide library services to a township for a percentage of the penal fines that hurts all of us.
- We got into a bidding war to provide contractual services to a library district that only limited the quality of provided library services.

State Aid

There was unanimous agreement that, overall, funding levels of state aid for Michigan public libraries are too low. Although the majority would like to see funding increased, many are concerned about whether the current political climate could support necessary increases. Most librarians believe that the legislature would only support increased funding if accountability measures were introduced. Multiple participants suggested revising P.A. 89 to separate public library funding from cooperative funding. There was also some discussion about the semantics of the word "aid." Some feel that this sets the wrong tone for the services that libraries provide, and that the state *should* be mandated to support services which enhance citizens' lives.

Selected Remarks:

- It took 20 years to get fully funded and that gave us only $.50 (per person in state aid).
- We argue over allocating such a small amount of money when in fact we should be trying to obtain more total money for public library services.
- Compared to the state aid provided in other neighboring states like Ohio and Illinois, we do very poorly indeed.
- One participant noted that if P.A. 89 had been fully funded since 1977 public libraries would have received at least $100 million more than they actually received over the past two decades. If the state aid law included an adjustment for inflation, libraries would have received an additional $300 million.

Cooperatives

Cooperatives have been seriously impacted by 23 years of flat funding. Staff levels and salaries have been reduced, leading to difficulty recruiting talented employees and providing levels of service that satisfy all members. A number of participants believe that cooperatives seem to benefit smaller libraries more than larger ones, although some cooperatives have overcome this challenge by adopting a menu approach to services.

A number of cooperatives find it increasingly difficult to satisfy the needs of all their member libraries. This is particularly true given the wide range of needs and populations served by these member libraries. Despite this financial hardship, many believe that cooperatives are instrumental in resource sharing, continuing education, and other programs.

Selected Remarks:

- Coops need accountability from the state-level. Accountability is to the members, who vote with their feet and their funding. One participant cautioned that standards should leave room for coops to develop region-specific programming.
- Coops have made an incredible difference for small libraries in Michigan. Not only inter-library loan, but continuing education and the exchange of ideas. Even e-mail connections facilitate networking and improve skills, because staff are exposed to what other libraries are doing. Coops are critical for this purpose.
- Absent a strong state library, coop staff are practically state employees (without the compensation and benefits). Lots of "movers and shakers" have left the state in the past several years. Let's allocate some money to make coops stronger.
- One participant explained that the level of divisiveness in her coop was proportional to the diversity of services needed by members. The lack of tension in a nearby coop could be due to the fact that "the coop doesn't provide many services to begin with."
- The difference in services provision is in the use of the "swing aid" by the cooperative, and the mix of services provided by each cooperative. It seems to me that cooperatives will continue to be unstable as long as the benefits vary and member libraries are free to change cooperative affiliation.
- State aid funding should go directly to the cooperative, with no share of funds passed through the member library as "swing aid." Coops should have fixed boundaries, receiving some level of a "base grant."

Legislative Climate

Several comments were made regarding the political climate within Michigan, and specifically, the legislature's possible receptiveness to new funding proposals. Some participants were pessimistic about the legislature approving a new proposal; others noted that the current economy is the best it has been for sometime in Michigan, and that now is the time to put forth a proposal. Most agreed that improvements are attainable only if libraries present a united front. In general, most participants attribute the legislature's failure to address issues of library funding to a lack of a coordinated educational effort by the library community, as well as to the lack of a clear proposal from the library community for how best to address such issues.

Selected Remarks:

- Librarians don't trust the legislature and are reluctant to make themselves vulnerable. "If we change the constitution regarding penal fines, what else are they going to change?"
- The turnover in state legislators, due to term limits, makes building coalitions more difficult.
- Until we [the library community] can put forth a clear and understandable public library development program that we can all agree upon, the legislature is not likely to support us.
- We need to establish and nurture contacts with key legislators and staff and do it now.

Tax Abatements

Libraries that are impacted directly by various tax abatements consider this issue of utmost importance. Others recognize these effects, but stated that only "a couple of dozen or so" libraries are truly impacted by tax abatements. One participant felt that this particular battle was not worthy of fighting, because local governments argue that the payoff will come down the road. In general, everyone agreed that these threats to public library were real; however, some felt that energy should be focused on other priorities.

Selected Remarks:

- The state continues to pass laws offering tax abatements to companies, with no compensation to libraries. The only law that pays lost revenues back to libraries, is a result of the lobbying efforts of a single librarian. Awareness among librarians and local officials is increasing, but more education is needed.
- The range of tax abatement laws is significant and complicated, I'm not sure I really understand how these work and how they affect my library.
- My local government is less worried about how the tax abatements affect the library and more concerned about how they might attract new businesses to the community.

The Role of the Library of Michigan

There is some confusion about the appropriate role of the Library of Michigan (LM) and how it is supposed to assist public library development in the state. Michigan's LM is one of only two libraries in the nation that reports through the legislative branch of government. It operates under a range of guidelines that limit its ability to propose legislation and coordinate support for public libraries, as is a common role for state libraries elsewhere. There is some significant concern that LM has been unable to provide strong leadership in the development of public libraries.

Selected Remarks:

- It is important to remember that the Library of Michigan is to Michigan as the Library of Congress is to the U.S. Congress, by law it is not intended to provide statewide leadership and support for libraries in the state, but rather to support the Michigan legislative branch of government.
- The Library of Michigan has an impossible job in meeting expectations from the public library community and at the same time being hobbled by legislative guidelines.
- The Legislative Council (which has oversight for the Library of Michigan) regularly engages in micro-management and severely limits the effectiveness of the Library.

The above key issues in this section are *not* a comprehensive listing of all the issues identified during the site visits. For example, concerns about the inequality of penal fines, the allocation of those fines, and the degree to which penal fines are an appropriate source of funding public libraries were also repeatedly discussed.

Basic Issues Requiring Attention

Based upon preliminary data from the interviews, focus groups and various meetings and past experience with other states, the study team identified a set of "precursor issues" for the library community to consider in the development of potential solutions. The sense of the study team was that these issues would require attention and resolution before it would be possible to implement *any* recommendations or strategies. These issues were presented in order to gauge participants' attitudes towards the importance and relevance of these factors to long-term fiscal strategies.

Leadership

LM was modeled after the Library of Congress, and therefore, its primary purpose is to serve the legislative branch of the state. Although LM provides some forms of leadership to libraries, it does not have the traditional powers of a state library. The transition from state library to LM eroded some services to public libraries, reduced library development and long-range planning efforts, and most importantly, severely limited the degree to which LM could lobby for libraries.

Candidates for renewed leadership efforts could come from four possible sources: (1) LM; (2) the Michigan Library Association (MLA); (3) PLFIG or another library consortium; or (4) the 14 library cooperatives acting as a group. Participants responded to the feasibility of these sources as the options that follow:

Option 1:

LM could create an "Office of Strategic Planning" to facilitate long-range library development.

- Many participants feel that leadership needs to come from the state level, although there were mixed opinions about whether LM's powers could or should be increased.
- "The state library's enabling legislation hasn't changed that much. The new state librarian could have power to take a leadership role."
- "[LM's] charter could be interpreted in different ways. The legislature read it in such a way as to limit the state librarian's role. The new state librarian could move in another direction."

Option 2:
The Michigan Library Association could create a *Public Library Funding Task Force*.

- There were a few supporters for this option. A number of individuals commented that MLA has shown limited successes with past legislative initiatives. In addition, the internal leadership is currently in flux.
- MLA is not inclusive because it is member-driven, and not all public library directors are members.
- MLA's multi-type nature makes a public library focus difficult, especially given their lobbying resources.
- PLFIG wouldn't have been formed if MLA's leadership structure were sufficient.

Option 3:
The creation of a Library Coalition vis-à-vis PLFIG or another non-profit organization.

- Over 150 libraries have paid money towards this effort -- close to half the public libraries are already on board. "Let's not reinvent the wheel."
- This approach is aligned with Michigan's grass-roots culture.
- PLFIG may be perceived as "special interest," which could lead to further divisiveness.
- So far, they have been somewhat successful in moving these issues forward and working together.

Option 4:
Library Cooperatives could facilitate leadership roles.

- Coops' financial straits are intolerable so cooperatives are highly motivated; they need help immediately.
- Many coop directors are former library directors with years of leadership experience. Their job is to interact with and provide services to libraries of all shapes and sizes. Importantly, these individuals understand the big picture.
- An effective communications network is already in place. This infrastructure could be used to "get the word out."
- Cooperatives are crippled. "I don't think they can take on additional responsibility."

- Cooperatives will continue to be important and play a large role, but this leadership effort needs to come from the state level.

Vision

The leadership vacuum is closely tied to the lack of a statewide vision. The only statewide effort toward this end is the "Preferred Futures" committee; however, the study team recorded conflicting assessments of their work thus far. Most participants agree that libraries will not get a "bigger bucket" of state money without a statewide vision for public library services. Such a vision must clearly and concisely describe why public libraries are important, and how public libraries contribute to the overall health and development of the state, as well as paint a lucid picture of how libraries will, in the future, continue to benefit the state.

Selected Remarks:

- I haven't seen a statewide vision for Michigan's public libraries in my 20 year career.
- That's why we're here -- let's educate the people who think penal fines are heaven!
- Preferred Futures is multi-type, which does not work when it comes to funding structures. Public libraries need their own funding bill.

Education

This topic generated a high volume of discussion. Participants argued that education is necessary both internally (within the public library community), and externally (for residents and local/state government officials). First, librarians, staff, and trustees need to understand the legal and political factors that influence library funding and organization. Second, the general public, local officials, and legislators need more awareness of the value of public library programs and activities. A number of librarians attending the various sessions said that the manner in which their library was funded was so complicated that it was impossible to translate it coherently.

Selected Remarks:

- Funding issues are complicated. Remarks included, "Learning about Michigan public library funding is like getting a 2nd Masters degree," and "I don't have a degree in public finance."
- I work hard to raise visibility within my own community. Some librarians don't have enough political savvy to do this, or the political system is more anti-library. Librarians need training on how to work the system to accomplish these goals.
- We need an organized trustee association to provide orientation for new members, job descriptions, and legal and financial training. There is no venue to channel this library support. MLA is starting to pay attention to this issue, but they expect

too much from trustee members (e.g., trustees are required to run MLA programs).

- Often the level of understanding of public library financing is related to the professional/non-professional director issue. Sometimes the small vs. large tension equates to less education (fewer staff with an MLS) and vision. Some librarians don't know what good services are because they've never witnessed it.

Promotion of Public Libraries

To some degree participants believed that residents in the state as well as local/government officials are simply not aware of what public libraries do, how public libraries contribute to the overall quality of life in Michigan, how they assist in local economic development, and the other benefits libraries provide. Formal publicity and current awareness programs that demonstrated such benefits to the state could be used in conjunction with other efforts to improve public library funding such as a legislative initiative

Selected Remarks:

- The layering effect of municipalities; counties, townships, schools, etc., contributes too much of the confusion and misconceptions among the public. "It kills libraries at every election."
- Trustees and township officials have no idea what libraries *could* be doing.
- There is no vehicle to communicate library success stories.
- Libraries should emphasize how much we do for students. A school went overbudget on a gymnasium, so they closed the library; yet, schools get $6,300 per student while libraries receive $.50 per resident.
- Libraries contribute to the economic strength of the state. Let's tell the story better; the people of Michigan deserve a better deal.

Complacency

The research team heard from a number of librarians who are happy with the status quo and are resistant to funding changes. Very often, the study team heard librarians say, in effect, "for a town our size we do pretty good." However, their libraries were, in fact, poorly funded, had an inadequate technological infrastructure, and were unable to provide innovative services. In short, "good enough" services do not equate to high quality services. Frequently, participants wanted to improve library service but were afraid that anti-change colleagues will spoil efforts to make funding more stable and equitable. This complacent attitude is a serious concern in any effort to move forward.

Selected Remarks:

- Michigan has a lot of "pretty good" libraries. "If we don't have it, users didn't need it anyway."

- Why don't *they* do something about state aid? *We* have to do something about it.
- If we don't throw away PA 89 and penal fines, we won't get anywhere. This is peanuts anyway, in terms of total dollars. The fighting for the crumbs has been the mantra of a generation of librarians. Enough of us recognize that this system needs to end, our job is to sell that to each other.
- Maybe libraries funded mostly by penal fines shouldn't be open. Get a millage passed to be able to offer good services. My library used to be fully funded by penal fines, with a rinky-dink budget, until the community was convinced to pass a millage.
- Let's "adopt" libraries. We'll start a mentoring program to get people motivated.
- The people who need to hear the message aren't at the table.

Accountability

Qualifications for state aid were last updated in 1979, and the majority of participants consider them to be "a joke." Libraries that provide exemplary service get $.50 per capita, and libraries with mediocre or poor services receive the same. This is also true for the cooperatives. Most librarians agreed that they would consider implementing the use of performance measures tied to state aid funding levels if: (1) the state aid provided a significant portion of library operating budgets; and (2) there were incentives that rewarded libraries with high performance.

Selected Remarks:

- Michigan has too many libraries already, and many of them are poor libraries; there is no incentive for them to improve.
- There should be guidelines on the source or basis of determining what counts as part of the 3/10 mill needed to accept a public library for state funding.
- There are no rewards for service. We get chastised for spending too much on staff.
- We would welcome standards and requirements from the state.
- "City council giveth and city council taketh away." The provision of more control to local government presents a threat.
- Accountability is an especially good idea for coops; they could tell members that they have to meet certain standards in operating the coop.
- The current standards are "minimum requirements" to receive state aid and say nothing about the level or quality of services that the library *should* be providing.

Once again, these topics are not comprehensive. A number of related topics and issues were identified as affecting public library funding. Nonetheless, these are *key* topics and the comments associated with them are representative of the comments heard around the state.

Hearings: Major Themes and Selected Remarks

The hearings echoed many of the issues raised during the focus groups, although the discussions centered on the need for improved education, promotion, and advocacy. These comments represent input from librarians, trustees, friends' groups, and citizens. The comments are paraphrased from those heard in at least three of the sites.

Need for Education and Promotion

A consistent theme throughout the hearings was that public libraries have not been able to articulate the benefits and impacts that result from high quality library services. Both the library community and the citizenry need to be much more active in promoting the importance of public libraries and explaining why public libraries in the state are in poor condition.

Selected Remarks:

- People believe penal fines go totally to libraries. It's hard to educate your public that the library benefits when more speeding tickets are written. Constitutionally, the whole purpose was that penal fines should be given to libraries so that judges didn't have any conflicts of interest (created 1837).
- When it comes to penal fines and economic development issues, it does not occur to judges and city councils that they're hurting libraries. The message is more powerful when it comes from citizens. Libraries have to do better at educating the public.
- Citizens think they're getting materials for free.
- The law shouldn't be so complicated. Citizens should be able to understand how libraries are funded. Let's find a way to galvanize libraries and perhaps learn how other states fund libraries.
- Would you want volunteers to run the White House, or the Governor's Office? Libraries haven't educated people on the depth and breadth of library work. This is a real business.
- Language is powerful. Be careful to use the appropriate terms for each audience. Labels such as "aid" and "complex" could discourage citizen involvement.
- People in the state don't understand that there is a crisis in library service across the state. They only feel it if it directly affects their community.
- It's important to put library needs in context for the public. For example, with X money, we can minimally survive, with Y money, our library can thrive. We need communicative differences between library survival and library excellence.
- Michigan currently offers donors a direct tax credit for gifts to public libraries (up to $ 500 per couple) yet libraries have done little to promote this.

The Need to Improve Lobbying Efforts

Numerous members of the public were dismayed to learn about the perception of a poor lobbying presence for Michigan public libraries. It was unclear who, or what, had responsibility for lobbying for public libraries, and it was unclear what specific goals were top priority for a lobbying effort, should one eventually be organized.

Selected Remarks:

- There is a crisis in library service today. The state prides itself on education but is knocking down the tools that can help. Libraries need to provide an effective lobby, and let legislature know that we exist. Let's tell the legislators not to talk out of both sides of their mouths.
- If we use our educational role as leverage, then we should spend more money on marketing. The library needs a lobbying presence as visible as the schools'. We educate from "womb to tomb." We need marketing personnel to develop a statewide campaign.
- There's no one perfect way to make this work for everyone. Historically, the library community has never spoken with one voice. People do not understand that "a rising tide will raise all the boats." We all depend on one another.
- There is power in one-on-one interactions. Use the passionate people in town to publicize and advocate for the library's needs.
- Legislators take libraries for granted. They're telling us what they've done for us, which is essentially nothing. An education campaign is critical for the legislature to get the message that we're hurting badly.
- Don't make the mistake of merely listening to what we say (it could be political suicide). The message may be found by talking to the voters, those who are users, and those who aren't. Find out what people want in the way of services, whether they're getting them, and whether they are willing to pay for those services.
- Put the money out to do this right, run some focus groups; then, we can hand the legislature a plan that decisively interprets what the people want. That plan should depict agreement among libraries, and demonstrate the structural work that has been initiated.

State Aid

State aid to currently provides $1.50 per capita for library services. Of this, $.50 goes to the cooperative, $.50 goes to the library, and $.50 is for the library to purchase cooperative services. As shown earlier in this report, this level of state aid is below the support provided to public libraries in neighboring states. The general sense of the comments related to this topic are summed up in two questions:

1. Why is state aid so small in Michigan?
2. What can be done to get more state support for public libraries in Michigan?

Selected Remarks:

- State funding is woefully inadequate, and the state has only recently funded it fully. The state is putting more of the burden on the local governments, which is a trend among many government services. If you want any service, the local government has to pay for it.
- State funding should be incentive-based. State and federal funding should drive libraries to be better, not to enforce the status quo. Incentives could include access to libraries (e.g., hours open), and materials expenditures.
- State aid to public libraries certainly is inadequate, but public libraries have not been accountable for the aid they do receive. Why should the state give us [public libraries] more when we have not shown the benefits and impacts from what we do receive.
- Capping state aid is a poor model. The legislature thinks it's doing a good job when the program is fully funded, even though we're getting 1977 dollars. The new model needs to last into the future. Don't include any dollar amounts in the new model -- use a formula instead.

Penal Fines

Only a portion of all the various comments related to penal fines are included in this section. There were numerous discussions with varying views regarding penal fines. Since some libraries are very dependent on penal fines, there was also considerable emotion expressed about if and how penal fine funding should be changed.

- Penal fines are a lightning rod, but we need to address them somehow. The legislature has allowed so many costs to take priority over libraries, via parallel ordinances and such, which has nibbled away the library funding pot. Let's crunch some numbers and determine a minimum level of fine. If the pot hadn't been eroded so badly, we wouldn't need to reconstitute a new base. [The eroding measures, (sheriff, state police, etc.) began around 1994.]
- Let's let penal fines sit, they are too controversial to resolve and for the library community to reach agreement on a solution. Let's spend our effort building something new.
- Penal fines should not be considered as local funds when qualifying for state aid. We need to revise the guidelines for state aid, because they allow very small government units to set up libraries, whether they need them or not. When new libraries are formed through penal fines, those officials may not realize that those penal fines are being diverted from an existing library.

Detroit Public Library

The role and importance of Detroit Public Library (DPL) came up in a number of different hearings. There appeared to be a love-hate affair in the state regarding support for DPL. Some participants voiced their beliefs that additional state aid should be funneled directly to DPL; conversely, a number of participants thought that too much money was already provided to DPL. Furthermore, a number of participants stated that they were not well-informed as to the depth and level of issues that currently affect DPL's efforts to provide both local and statewide services.

Selected Remarks:

- Detroit Public Library houses significant special collections that cannot be duplicated. These collections are critical state resources that must be supported and maintained. The DPL struggles to address critical infrastructure needs, despite a recent mil increase.
- The Detroit Public Library staff is not involved in statewide library meetings and programs; they act aloof.
- We have to solve the Detroit problem. They are still 10% of our population, and we may have to take money from rich and give to the poor. It's not popular, but it's possibly the only way.

Additional Comments and Recommendations

The range of comments and suggestions from the hearings ranged over quite a broad landscape, all of which cannot be reported here. Nonetheless, the following comments do suggest additional topics and issues of importance to the larger issue of public library funding in Michigan.

Selected Remarks:

- We should consider developing larger library service areas on a county or multi-county basis.
- I'm sick of all this wrangling and politics in the public library community. We have to stop this *us versus them* mentality and agree on a statewide strategy if we are going to improve and change funding for public libraries.
- Freeze the number of libraries in the state. Encourage the merger of libraries based upon some financial incentive.
- The current system for funding public libraries simply does not work. It creates the feeling that the state doesn't care. There should be one universal funding source, and all libraries should be funded the same way. Overhaul this patchwork approach; abandon the old laws and start over.
- Let's not forget all the good and successful programs that we have implemented in the state, such as Access Michigan.
- Libraries are sacred. They're essential to preparing children for the 21st century, and they support life-long learning. We need to better link public libraries to public education.

Perhaps the most telling comment resulting from the hearings occurred when a citizen, simply with strong commitment, stated "the residents of the state of Michigan are not getting the level and quality of public library services they deserve."

Possible Solutions

During the site visits and focus groups, the study team asked participants for their solutions to improve equity and stability of public library funding for Michigan public libraries. A number of ideas were offered to the study team. Based on a range of suggestions as well as preliminary findings from earlier data collection efforts the study team developed a short-term and a long-term approach.

- A short-term public library development program that would benefit all public libraries in the state; and,
- A long-term comprehensive overhaul of state laws and regulations related to public library funding and organization.

A combination of these basic strategies may provide for a beginning effort to update and modernize the public library funding methods in the state of Michigan.

Short-term: Enhance Statewide Library Programs and Services

A short-term strategy is to identify a range of programs, initiatives, and services that to propose for funding by the state government. The major criterion for the selection of these programs, initiatives, and services would be that they would benefit the vast majority of public libraries and the residents in the state. Many librarians indicated that they would welcome an increase in the number and level of statewide services.

Suggestions for specific programs to include in the statewide initiative, included the following:

1. Expand the number and scope of databases in Access Michigan;
2. Provide additional consulting assistance from the Cooperatives to support information technology infrastructure development at the local level;
3. Compensate Michicard net-lenders. Currently this program is an unfunded mandate, and unsuccessful because large libraries have no incentive to participate. It also contributes to tension related to contracted library services;
4. Offer information technology infrastructure and building grants for public libraries to modernize themselves and take advantage of the new information technologies; and,
5. Provide ongoing education and training for trustees and friends of the library, particularly in the area of planning information technology services.

Some participants offered additional ideas for statewide programs such as a comprehensive web portal to Michigan government information. In all, these initiatives would build on existing successful programs or develop new ones that would benefit everyone in the state. Considerable support for this strategy was expressed among the site visit participants.

Long-term: Omnibus Public Library Reorganization Act

Within a strategic plan, a long-term initiative would be developed to plan a systematic overhaul of the current library laws and regulations in Michigan. The public library community would propose a comprehensive set of recommendations for codifying and organizing a new set of laws that govern public library funding, the role of the Library of Michigan as a state library agency, and re-defining how libraries can be legally established (to name but a few legal topics in need of change).

The general reaction to this approach was significant support, with some trepidation about how this would actually happen. Several comments were made regarding a "phase-in" approach, to give everyone time to comply (assuming such a comprehensive overhaul could actually be accomplished). There was some agreement regarding the complexity of this strategy, the need to work closely with the legislature, the development of a carefully planned lobbying/statewide education effort, and the assurance that proposals would benefit public libraries in the state *as a whole*.

Presentation of Preliminary Findings

On October 6, 2000, Dr. McClure presented preliminary findings at the Michigan Library Association (MLA) annual conference. Approximately 150 people attended the session. Dr. McClure summarized key aspects of the September site visits and outlined the major themes of the focus groups as described in this chapter. There was wide agreement among attendees of the conference regarding findings, the problems and issues facing the library community, and developing both a short-term and long-term strategy to move forward.

Dr. McClure emphasized the importance of developing a general outline for a strategic plan, reaching agreement on that outline and moving forward, rather than first struggling over the details. MLA officers as well as numerous others at the meeting expressed their commitment to help move the effort forward. There followed from the presentation an open and positive exchange of ideas regarding how the public library community could move forward to address and resolve issues identified in the presentation. Chapter Seven provides specifics outlining the strategic plan.

Increasing Knowledge and Awareness

These site visits identified the myriad issues that affect funding for Michigan public libraries, and confirmed many of the findings from the director surveys (see Chapter Five). The research team heard from small libraries that rely chiefly on penal fines, and from large libraries, for which state aid is relatively insignificant compared to total library funding. Even though libraries are affected differently by funding issues, very few libraries are satisfied with the status quo. In addition to serving as a data collection instrument, these meetings facilitated an important exchange of ideas among librarians. The forums allowed librarians to air their frustrations, but also helped them to better understand the challenges and opportunities they face to improve public library funding in Michigan.

These meetings may also have been an important step in healing some of the strife and competition that have affected Michigan libraries in recent years. However, the focus groups only included 65 participants, and the hearings, 117 people. With nearly 400 public libraries in Michigan, there are still many librarians, trustees, friends, and citizens who need to participate in the dialogue and become involved in the process. As evidenced from the library director survey results, there is a diversity of opinions regarding which funding mechanisms are most important, as well as which revenue streams may be most threatened. More forums, workshops, and meetings will be necessary to develop consensus and direct, active, participation of all parties involved. These visits may have marked the beginning of a process to formulate a new direction for the public library community in Michigan. Chapter Seven focuses more narrowly the direction, and strategy, libraries in Michigan must envision if stable and equitable funding is to be realized.

Addendum I

Open Hearings on Public Library Funding in Michigan

Introduction

As part of the study being funded by Michigan Public Library Funding Group (PLFIG), *Developing Equitable and Stable Sources of Public Library Funding in Michigan* (additional project information available at <http://WWW.kpl.gov/plfig/>), a number of open hearings on related issues will be held. The hearings will be conducted by Dr. Charles R. McClure, Principal Investigator for the study, or Jeffrey Johnson, Consultant to the project, at the following locations and times:

City	Location	Date	Time
Escanaba	Escanaba Public Library 400 Ludington Street	September 15, 2000	2:00-4:00pm
Saginaw	Public Libraries of Saginaw 505 Janes Avenue	September 18, 2000	2:00-4:00pm
Muskegon	Muskegon Museum of Art 296 W. Webster Avenue (next door to Hackley Library)	September 19, 2000	2:00-4:00pm
Detroit	Detroit Public Library 5201 Woodward Avenue	September 20, 2000	3:00-5:00pm
Livonia	Livonia Civic Center Library 32777 Five Mile Road	September 20, 2000	7:00-9:00pm
Cadillac	Cadillac-Wexford County Public Library 411 South Lake Road	September 21. 2000	2:00-4:00pm
Lansing	Capital Area District Library 401 South Capital Avenue	September 22, 2000	2:00-4:00pm

Purpose

The purpose of these hearings is to provide librarians, government officials, trustees, and others interested in public library funding with an opportunity to present information and solicit their views regarding:

- Issues and concerns about the manner in which public libraries in Michigan are currently funded,
- The degree to which the current processes for funding Michigan public libraries are equitable and stable,
- Factors which effect the manner in which public libraries are funded in Michigan, and
- Recommendations for how the current processes of funding Michigan public libraries might be improved.

Information received at these hearings will be considered by the project as input for assessing public library funding in Michigan; this input will inform the recommendations for the final report. By speaking at the Hearings, participants agree that the information they offer is public information and acknowledge that they provide such information on their own accord or as representatives of a specific organization.

Procedures

The hearings will begin promptly and conclude at the scheduled times. The facilitators wish to hear each participant's point of view; therefore, time restrictions may be necessary. If so, each participant's commentary will be limited five minutes. Participants are encouraged to bring a one-page summary of their comments and concerns for distribution at the hearing. Each participant should identify her/himself with name, title, affiliation, representative of a particular organization (if appropriate), mailing address, and email address if such is available. They are also encouraged to provide copies of pertinent reports and other items of interest to staff conducting the hearings.

To speak at the one of the hearings, please contact Saul Amdursky at <saul@kpl.gov> or (616) 553-7830. Saul Amdursky will document the name, contact information, and the hearing at which participants would like to speak. Participants may also register to speak at the meeting; however, in order to maintain an orderly meeting, those who have signed up ahead of time will be heard first. Please note that the hearings will be recorded on audio-tape.

Those unable to attend any of the hearings may submit written comments before September 25, 2000 to the following address:

Saul J. Amdursky, Director
Kalamazoo Public Library
315 S. Rose St.
Kalamazoo, MI 49007

Chapter Seven

Developing a Strategic Plan for Equitable and Stable Public Library Funding

Background

The findings from the study reported here and in the appendices confirm that public library funding in the state of Michigan is in crisis.

There is significant inequality in funding public libraries across the state and there is every likelihood that there will be increased instability in that funding if action is not taken immediately. Further, many public librarians who believe they provide "good enough" services are, in fact, providing poor or mediocre services which are limited in their quality, scope, and application of new information technologies. The purpose of this chapter is to provide an outline for a strategic plan of action that should be set in place NOW.

Findings from this study suggest that there is considerable support for a combined short-term and long-term strategic effort. Public libraries in Michigan need immediate and significant relief as soon as possible, but they also need a long-term strategy to address a range of legal/statutory problems. The public library community should resist a "band-aid" approach to solve one or two problems in a piece-meal fashion. A carefully thought-out, strategic approach, as outlined here, is the best approach for moving the broad public library community forward and toward improvement in overall quality and impact of public library services in the state.

Principles for Developing a Plan

Any effort to develop a strategic plan for public library development in Michigan should be based on a set of principles. These principles can provide guidance for how best to develop a strategic plan and identify the assumptions under which such a plan is based. The principles listed here are based on comments by study participants in various data collection efforts and represent an excellent beginning point:

- Public libraries in Michigan are a critically important service that promotes and enhances the overall quality of life, economic development, and sense of local community for all residents.

- Residents of Michigan are entitled to high quality, state-of-the-art information services and resources regardless of their location in the state.

- Any strategic plan for public library development should, overall, benefit the vast majority of all public libraries in the state, not just the few.

- A public library strategic plan will be more powerful and have a greater chance for successful implementation if it is supported by the residents of Michigan, the Friends and Trustees, the public library community, the Library of Michigan (LM) and local and state government officials.

These principles provide the basis from which a strategic plan can be developed to improve the quality of public library services, the equity of funding those libraries, and the long-term stability of that funding.

Vision, Goals and Objectives

A number of possible vision statements, goals, and objectives can be developed to guide future public library development in Michigan. The key to a successful set of such statements is (1) that they are clearly understandable by Michigan residents, (2) that they stress the importance and worth of public libraries, and (3) that they are feasible. The following statements are offered as first steps, representing a starting point for additional discussion.

Proposed Vision Statement

Every Michigan resident, in order to succeed in this knowledge-based society, will have convenient and timely access to the world of information, both print and digital, through the network of public libraries across the state.

Proposed Goals and Objectives

1. Every resident in the state can use and borrow items from ANY public library in Michigan.

    - Every public library will participate in MichiCard and will receive funding to support such reciprocity.

    - A statewide database will be established to allow residents to borrow materials from any public library in the state, creating a virtual network of resources.

    - Detroit Public Library is a valuable statewide resource recognized for having a unique collection of materials. Special funding will be allocated to improve its information technology infrastructure, thereby making these resources available to all of Michigan's residents.

    - A sophisticated, timely, and efficient delivery system will be in place to transport print resources to residents statewide.

2. Every resident in the state has the right to equal access to digital databases and government information.

    - Every public library will have high-speed, broadband access to the Internet.

    - A statewide portal to information will be developed and will include, but will not be limited to: a statewide library catalog, Michigan Electronic Library, Access Michigan, federal/state/local government information and services, and access to other resources.

    - State grants for infrastructure improvements will provide incentive funding for local capital monies.

    - Recognizing that not all of Michigan residents have home computers or Internet access, every public library will have sufficient workstations to offset the digital divide.

    - Remote access from home, office or school to these digital databases will be easily accessible to all Michigan residents.

    - Access Michigan will be fully-funded by the state and will be expanded with enough full-text content to become a virtual public library, 24 hours per day / 7 days per week.

    - Public libraries will become a unique point of access for state and federal government information and services.

3. Residents in Michigan will be able to improve job skills with the resources and services available through his/her local public library. Michigan's public libraries are in a unique position to support economic development in each local community by promoting a computer literate workforce.

    - Online resources will focus upon career enhancement, job skill development, and lifelong learning.

    - Training on various electronic resources and research skills will be available through the network of public libraries and cooperatives.

    - A statewide comprehensive clearinghouse of information related to employment opportunities, economic development, and business information will be available via public libraries.

These goals and objectives describe the critical role that public libraries can play for Michigan residents, for economic development, and for exploiting information technologies for the benefit of all.

Short-Term Strategy

On an immediate, short-term basis (February 2001–June 2002) a package of strategic initiatives should be developed and coordinated. This package, once detailed, should be proposed to state government for funding. The specifics for timing can be discussed by public library leaders, but these initiatives should include the following steps.

Step 1: Clarify Leadership for the Strategic Plan

The need for clear and coordinated public library leadership to direct the strategic plan (however it might be developed) is essential. As this report is written, who or what will take ownership for managing and implementing the strategic plan is not clear. PLFIG has made an important and significant contribution in providing leadership thus far in supporting the study reported here and otherwise marshalling support to study and address funding issues in the state. PLFIG may, in fact, be the best candidate to continue this effort assuming it can obtain additional funding for a management infrastructure. Full-time staff knowledgeable about the state, public libraries, and working with the state and local government will be essential for PLFIG should it decide to continue in a statewide leadership role.

PLFIG cannot, by itself, implement the strategic plan without the direct support and involvement of the Library of Michigan, the Cooperatives, the Michigan Library Association, and key opinion leaders in public libraries throughout the state. Thus, representatives from these key organizations would need to support PLFIG with both time and funding. An organizational structure that included an advisory committee with representatives from these organizations and individuals might be one way to proceed. But regardless of the structure chosen, direct and ongoing financial support for staff to manage the strategic plan is essential – regardless of where those staff are located and to whom they report.

Step 2: Begin a Statewide Education and Awareness Program for Residents, Trustees and Friends, Government Officials, and Librarians

As a precursor for developing and implementing the strategic plan, a statewide education and awareness program is needed to inform residents, Trustees, Friends, librarians, and government officials about a range of topics and issues. The program would:

- Increase awareness of the importance, need, and usefulness of Michigan public libraries in terms of enhancing local communities, improving the overall quality of life for residents, supporting economic development and more.

- Describe the importance and quality of existing public library services and resources and how they can be extended, updated, and take better advantage of new information technologies.

- Offer evidence from this report, from data available from the Library of Michigan, and from individual libraries and cooperatives as to the existing poor funding for public library services, the degree to which that funding is inequitable, and the various threats that exist to current limited funding sources.

- Explain the ambiguous and contradictory patchwork of laws and regulations currently in operation in the state that hobbles public library development, hobbles the Library of Michigan to advocate for public libraries, pits local libraries against each other, and promotes the existence of poorly funded libraries with inadequate services for the information and networked economy.

- Offer a vision and sense of excitement for what public libraries *could* be doing in the future for Michigan residents. This vision can build upon what is offered in this chapter but needs to also provide specific examples of what public libraries could be providing and how these innovative services would positively impact residents.

Additional topics and objectives for this educational program may also be needed. These, however, are key areas where there needs to be increased statewide awareness.

It is important to think of this effort as a program. That is, there needs to be someone who is responsible for developing and implementing the program; there needs to be specific educational products and modules that are seen and disseminated statewide so a uniform message is heard across the state; there should a time line, a schedule, and tasking for how this will be implemented; and there should be some ongoing evaluation of the program so it can be fine-tuned as it is developed and implemented. *Successful implementation of this education/awareness program is critical to the overall success of the strategic plan.*

Step 3: Agree to Agree, and Agree to Disagree, if You Can't Agree

The public library community must stop public wrangling and finger pointing about statewide problems, historical issues, personalities, etc. There are many ways to develop a strategic plan and there can be many components to a successful plan. To some degree, the issue is less "which" strategic plan as opposed to "any" strategic plan. The public library community and its Friends and Trustees must put forth a common vision and plan that they can all agree upon, at least to the point that they will not sabotage the plan publicly. The library community must have a united front as it promotes the strategic plan and works with state and local government officials to implement the plan. They must be willing to work for the benefit of *statewide* public library services.

PLFIG has shown that there are a significant number of public libraries, directors, staff, cooperatives, and others in the state that can work together toward the common goal of increased stability and improved equity of public library funding. This is a significant step in "agreeing to agree." This attitude needs to continue and be nurtured throughout the public library community. Working together, having a common vision, and promoting the importance of public libraries statewide will be another critical success factor for the overall success of the strategic plan.

The Michigan Public Library Technology Infrastructure Enhancement Initiative, A Five-year Initiative at $30 to $40 Million Annually

This initiative is the cornerstone of the short-term strategy. The approach taken for this initiative is programs that will benefit all public libraries and residents in the state of Michigan. In addition, the initiative does *not* attempt to resolve or change the various statutes, regulations, etc., affecting Michigan public libraries. Nor does it attempt to deal with potentially contentious issues such as the use and allocation of penal fines. The initiative proposes that $30 to $40 million in new funding be budgeted annually for five years to the Library of Michigan to implement and manage these programs. The PLFIG in consultation with the Library of Michigan should develop the specific details of the financing plan.

The initiative builds on currently existing and successful models such as Access Michigan, and expands programs that librarians reported they needed most, such as capital funding and information technology support. The initiative addresses equity issues by reimbursing net lenders, providing incentive funding for purchase of library materials, and improving access to statewide resources. Most importantly, this initiative provides libraries the opportunity to work together toward improved services and resources for residents and to raise libraries' visibility throughout the state. Further, libraries are uniquely positioned to provide the training and research infrastructure to support statewide and local economic development. This effort will require legislative approval and includes the following key components.

Statewide Portal

This service would improve Michigan residents' access to significant and key statewide resources and raise the Library of Michigan's visibility within state government. One website would serve as a gateway to the following resources:

- *Statewide Library Catalog*: a virtual online catalog of books and other materials owned by most libraries in the state. This catalog will be patron accessible and will include interlibrary loan capability.

- *Michigan Electronic Library:* a collection of Internet resources selected by librarians and targeted toward Michigan residents.

- *Access Michigan*: a collection of bibliographic and full-text databases to be accessible electronically from any public library in the state. Where possible these resources will also be available for patron access from home or work.

- *Selected unique and special digital collections within the state:* (examples include special collections at the Library of Michigan or Detroit Public Library as well as digitized unique materials from local library collections).

- *State Government Information Services*: a one-stop source to access all state government information services and resources: provides information about government activities and allows residents to conduct business with the government from their home or from their local public library.

Access to these resources would be supported by the following services:

- *Statewide Delivery Service*: a service for delivering non-electronic materials for users to libraries statewide.

- *Statewide user authentication*: a method for authenticating remote users so that they are able to access electronic resources and materials.

- *Management, training and help desk services:* will support libraries as these new services are implemented.

The statewide portal to these, and possibly additional services and resources, would be administered, developed, and maintained by the Library of Michigan. The annual cost for the creation of the portal, the enhancement of services and the extension of the scope of the existing content and services currently available (e.g., additional full text and other databases to Access Michigan) need to be developed by the PLFIG. Some possible suggestions for consideration appear below.

Statewide Access to Materials in Libraries

Data provided by PLFIG found that 36% of public libraries do NOT participate in MichiCard, a statewide effort that allows residents from one library community to borrow books and materials from other public libraries within the state. Lack of participation significantly reduces the effectiveness of the program. A primary deterrent to participation is the need to file claims for reimbursement of postage and lost materials (only 13 claims were filed in 1998/1999). Conversely, other states automatically reimburse public libraries on a transaction basis for interlibrary loans. The MichiCard program should be fully funded by the state and administered through the Library of Michigan. This initiative would provide full funding to support the MichiCard program and a formula-based funding to reimburse net lenders in the statewide interlibrary loan program.

Interlibrary loan is a critical component of resource sharing. However, net-lenders, (i.e., libraries that lend more materials than they borrow), should be compensated for operational costs. This initiative would reimburse transaction costs and lost materials for those libraries who are net lenders and who spend considerable time and effort supporting other libraries in the state. Again, this is a common way for state libraries to assist net lenders within a state and insure a successful and efficient statewide interlibrary loan program. Figures developed from the Michigan Library Statistical Report (2000 edition) show 209,000 net public library interlibrary loans. Reimbursing net lenders at $2 per transaction in addition to the Library of Michigan's administrative costs for this program would cost approximately $500,000 annually.

A second and important component for encouraging Michicard participation is reimbursement to libraries that spend a minimum of $3 per capita for library materials. Table 7.1 below shows on possible formula for distributing matching state funds (other methods are certainly possible as well). The formula is based on a PLFIG chart "Value of One Mill in Property Tax Based on SEV FY 1999 Reports," that depicted the amount of money one mill would raise per capita for each library service area; the state average one mill valuation per capita was $22.74. The chart shows the population of libraries and the payments that would be made for libraries meeting the eligibility requirements for reimbursement. If all libraries were eligible, the total reimbursement would be approximately $13 million annually. To address problematic millage valuation within Michigan, funds would be provided for libraries with a per capita millage support lower than the state average. (See p. 2-6 and p. 2-7 for a discussion of the inequities of property tax support across the state and Table 2.3 for an illustration of these inequities).

The following table illustrates one suggested concept that could be used as a possible funding formula. It would require any applying libraries to: 1) spend a minimum of $3.00 per capita for library materials; 2) not lower the materials budget from the previous fiscal year; 3) increase local expenditure for library materials by $.10 each year for five years to $3.50 per capita; 4) spend no less than 60% of the state matching funds on the purchase of new library materials, and the remainder of the match on staffing for selection, processing, and cataloging the new materials; and 5) join the Michicard program (libraries could not join the program unless they meet the criteria in above items 1-4). *This is one concept. Others are certainly possible.*

Table 7.1 ***Library Materials Reimbursement Based Upon Millage Capacity Formula***

	Libraries Qualifying at $1 Per Capita	**Libraries Qualifying at $1.25 Per Capita**	**Libraries Qualifying at $1.50 Per Capita.**	**Libraries Qualifying at $2 Per Capita**	**Libraries Qualifying at $3 Per Capita**	**Totals**
Per Capita Support Per Mill	$22.74 and above	$17.05-$22.73	$11.37-$17.04	$7.58-$11.36	$7.57 and below	
Population	3,925,528	2,503,589	1,594,228	246,439	1,048,095	9,317,879
Payments	$3,925,528	$3,129,486	$2,391,342	$492,878	$3,144,285	$13,083,519

Technological Enhancement

The first aspect of this initiative would provide for state funding of one full-time Technology Specialist in each of Michigan's 14 library cooperatives. Public libraries throughout Michigan desperately need technology support facilitated through staff that can help them install, operate, and maintain new information technology. If Michigan public libraries are to enter the Information and Networked Age, there must be support to design and operate the information technology infrastructure. The Technology Specialist positions operating out of each cooperative would benefit all libraries belonging to that cooperative.

At an estimated cost of $75,000 per position (including benefits), the program would cost approximately $1.1 million annually. The program costs would increase each year by the rate of inflation for the previous year. The Library of Michigan would serve as the administrator of this program and provide the additional support for these positions directly to the cooperatives. The Technology Specialists would report to the director of each library cooperative.

A second component would be base grants of $50,000 per year for five years to each cooperative to support supplemental costs associated with enhancing library technology. These grants ($700,000 annually) would also benefit each member library and provide flexibility to experiment with innovative programs, upgrade technology, and otherwise support member services.

A third aspect of this initiative is the design, installation, and operation of interactive electronic classrooms and meeting rooms for public library services, education, training, and statewide meetings/conferences. Currently it is impossible for the state's entire library community to meet and attend conferences and workshop due to the huge geographic distances covered by the state. Furthermore, all who wish to attend training programs cannot always do so due to travel/weather restrictions. Clearly, it is more efficient to teach workshops and hold meetings a single time, with participants interacting through interactive networked meeting rooms, rather than repeating presentations multiple times in different parts of the state. The Library of Michigan would administer this initiative.

The electronic classroom initiative would establish state-of-the-art electronic classroom/meeting rooms in four locations across the state, and provide a fully staffed and professional instructional studio at the Library of Michigan to produce needed programs. The regional facilities would (1) accommodate a minimum of 100 people, (2) have broadband interactive connectivity by voice and video to all other locations, (3) provide Internet/web access, (4) include 15-20 computer workstations for training, and (5) be fully developed for teaching and for conducting workshops and interactive meetings. Start up costs for all four facilities, one professional studio at the Library of Michigan, telecommunications, and staffing would be approximately $2 million for the first year. Ongoing costs for telecommunications, maintenance, upgrades, and staffing would be in approximately $500,000 per year thereafter or $2 million for the next four years. Thus, the total cost of this initiative would be $4 million over the five-year period.

Technology Infrastructure Grants

The Library of Michigan would have the responsibility for developing guidelines and requirements to operate this on-going program. It would have two major components.

The first component of this program is support for building, construction, information technology development, and technology upgrades at the Detroit Public Library. State monies would be allocated to support Detroit Public Library's upgrades and its enhancement of its building and its technology infrastructure. The Detroit Public Library desperately needs to upgrade and enhance its physical facilities to exploit the electronic networked environment. Part of the award to the Detroit Public Library could also be used to digitize its most significant collections, making the material available statewide through the statewide portal. Detroit Public Library would make a proposal to the Library of Michigan for how these funds would be spent and detail the benefits expected from the funding.

The second component of this program includes competitive proposals to be submitted by public libraries to the Library of Michigan. Grant awards could support (among other things):

- Upgrades to existing computer and information technology infrastructure,
- Purchases of new computing and information technologies in support of new or existing library programs, and
- Renovation of physical facilities to better support information technology infrastructures.

Libraries interested in obtaining Technology Infrastructure Grants would submit proposals to the Library of Michigan describing their needs, the proposed use of the grant, and likely benefits from the grants. To leverage these grants, it is recommended that the local community/government provide a minimum of 50% in matching grant money. That is, if a local community applies for a $100,000 grant from the Library of Michigan, the local community/government would commit to an additional $50,000, making the total value of the grant $150,000.

Long-term Strategy: Omnibus Public Library Reorganization Act (2001-2004)

Improving information technology infrastructure is a key first step towards solving a host of public library funding problems. The underlying issues facing the equity and stability of library funding, however, require an overhaul of existing laws and regulations. In order for Michigan public libraries to provide consistently excellent services to state residents, the public library community and state officials need to devote a significant amount of time to detailing a proposal to address these problems (see Chapter Four). The proposals and recommendations offered in this section provide a beginning point for changing various laws and regulations.

The long-term strategy should evolve in tandem with the short-term strategy. As the details are developed for the short-term legislative initiative so also should details be developed to describe the Omnibus Public Library Reorganization Act. The target for submitting this comprehensive proposal to overhaul of Michigan public law and regulations affecting libraries would be the 2003-4 legislative session.

Principles for Reorganizing Public Law

The reorganization of laws and regulations related to public libraries in Michigan has the potential to become extremely contentious due to reasons outlined throughout this report, and because the existing laws pit public libraries against each other. Thus, it may be helpful to begin the reorganization process by considering the following principles:

- *Begin with a "clean slate" for the comprehensive reorganization of statewide funding and operation of public libraries.* Visualize a "best case" situation of laws and regulations that can best support public libraries, regardless of the current existing laws and work toward that best case scenario. Examples from Florida, Pennsylvania, and Ohio (see Chapter Three) can provide guidance. A clean slate approach also encourages librarians to acknowledge the need to give up some laws and regulations to provide a more comprehensive, organized, and coherent set of laws.

- *Simplify and reduce the laws governing public library organization and funding.* Currently, it is extremely difficult to understand and interpret the various laws that affect public libraries. For example, there are multiple legal ways in which a library can be organized – each with complex implications for how it can then be operated. Chapter Four provides a first effort at providing a comprehensive overview of these disparate laws and regulations.

  Citizens deserve to understand how libraries are funded. Funding laws and regulations are currently so complicated that librarians themselves often times can not adequately explain them. Straight forward and clear funding mechanisms reduce the stress of explaining policies to patrons, and empower citizens to become more effective supporters of libraries.

- *Increase the total amount of state aid available to public libraries.* Simply stated, the state of Michigan has significantly under-funded its public libraries. A substantial increase in total public library support from the state, including direct aid to libraries, support for statewide programs (such as that outline in the short-term strategy), and support for special projects is essential.

  Historically, public libraries have been denied $100 million due to only partial funding of PA 89 over the past two decades. If PA 89 had been fully funded since 1977 AND adjusted for inflation, libraries would have received $515 million in cumulative state aid. Rectifying this situation is long overdue.

- *Provide incentives for improving library services.* Public libraries should receive baseline state aid as well as aid that is linked to increased performance (see below). Currently, all public libraries receive 50 cents per capita, regardless of whether they provide average, mediocre, or superior services. Libraries should be rewarded for excellence, whether it's for raising money, providing creative programming, or other measures. A range of performance measures that have been in use for a number of years can be used to support this approach.

- *Require accountability.* Existing state aid qualification guidelines represent minimum requirements for a library to receive state aid. They do not provide standards for quality or accountability of services. Again, a comprehensive overall of state laws and regulations should include a means to insure public library service accountability.

- *Establish a transition period for libraries to meet new services and funding standards.* Whatever the final restructuring plan is, the state needs to provide public libraries with adequate time to meet the new laws and regulations. Thus, a phased strategy which may include "Grandfathering" certain practices may be necessary. The comprehensive changes recommend in this chapter will take time to both design and implement.

- *Encourage public libraries to take a role in state and local economic development.* A range of tax abatement laws have adversely affected public library funding and have "punished" the library for local economic development efforts. The public library needs to be a partner in local economic development efforts and not a victim of that process (McClure, et al., 2000).

- *Above all else, do no harm.* In a comprehensive reorganization effort of public laws and regulations as proposed in this chapter, a key guiding principle should be to do no harm. That is, the reorganization must not make the situation worse than it currently is. Given the idiosyncratic nature of politics, the public library community cannot afford to have a reorganization effort that is partisan driven.

- *Promote statewide access to and use of information for ALL Michigan residents.* Perhaps most importantly, the reorganization of public laws and regulations for public libraries need to be "resident-based." That is, laws and regulations need to support the best and most innovative services that benefit the information needs of residents in the state.

These principles provide a framework by which any reorganization of public law and regulations can best proceed. Agreement on these principles will assist in the detailing of specific proposals.

Some Specific Recommendations

A detailed comprehensive reorganization plan for Michigan public laws and regulations related to public libraries is beyond the scope of this report. Nonetheless, this section offers a discussion of some specific areas where change in the public law and regulations is essential if public libraries in Michigan are going to flourish, grow, and enhance the overall quality of life in the state.

Re-address Penal Fines

The statutory basis for penal fines comes from the 1835 state constitution that provides for local fines to be allocated among a number of local government operations, including libraries. As this system has evolved over the years, it has become convoluted and an extremely inequitable means for supporting public libraries. Details on the inequality, complexity, and problems with this public library funding mechanisms have been described earlier in this report.

The study team recommends that given the controversial and contentious nature of penal fines, as well as the difficulty inherent in amending the state constitution, nothing be done to change the law itself, regarding the use of these fines in support for public libraries. Rather, the Comprehensive Omnibus Reorganization Act should provide a means for state aid to help compensate those legal library service jurisdictions that receive limited penal fines. There are a number of ways in which this can be accomplished. For example, public libraries that receive less than the statewide 5-year running average per capita funding from penal fines would be entitled to a "supplemental" amount of state aid as determined by a formula developed by LM. These libraries, however, would have to formally request such supplemental state aid.

An approach such the one outlined here does not penalize those library jurisdictions that receive substantial income from penal fines; conversely, it attempts only to assist those libraries that receive less than the average per capita support from such fines. Those libraries that are relatively well funded but receive little support from penal fines may not find it necessary to request supplemental state aid to compensate for limited penal fine income.

Reorganize and Re-charter the Library of Michigan (LM)

The Library of Michigan is one of only two state libraries that do not function as traditional "state libraries." LM was created to serve the state legislature. Its current charter limits the ability of the library to actively promote public library development, its ability to advocate support and funding for public libraries in the state, and its ability to take strong leadership positions for how best to plan for and support the future development of public libraries. The existing law authorizing LM functioning is the Law of Michigan Act 540 of 1982 (to view this document or for more information, please see <http://www.libofmich.lib.mi.us/law/publicacts/pa540of1982.html>).

Michigan residents would benefit from a reorganized LM that could provide the leadership and support that libraries desperately need. For example, the Director of LM needs to have greater direct control over library activities and operations and avoid micro-management from the Legislative Council (more specifically, the Legislative Council Administrator). LM needs to be able to advocate for funding and support for public libraries (as is done in virtually every other state in the nation). Additionally, LM needs to be an active participant in the legislative and executive branches' budgeting and planning processes for statewide library development. Further, specific responsibilities and roles of LM regarding statewide library development (e.g., coordinating children services and programs, developing continuing education programs, working with statewide Trustees and Friends groups, etc.) need to be re-examined.

The study team also recommends that LM create an Office of Public Library Planning and Development in the Division of Library Development. The responsibilities of this office would be as follows: (1) Coordination of statewide planning and development for public library services; (2) Coordination of the aforementioned planning with planning for other types of libraries in the state; (3) Assisting local communities and public libraries obtain funding and support for library services; (4) Supporting Friends and Trustee groups; (6) Provision of workshops and continuing education for libraries, Friends and Trustees, and community members; and (7) Advocating for the general support and development of public libraries statewide. The LM Act 540 of 1982, 397.20, Section 10 (3)(h) authorizes this type of library activity.

Furthermore, number of specific changes in the code can be suggested regarding the role of the Board and the Council:

- **397.14, Section 4(1).** A board of trustees of the library is created within the legislative branch of state government. The board shall make budget recommendations to the council to be submitted to the house and senate appropriations committees as part of the total budget recommendations for the legislative council and shall determine the following matters:
    a. the services the library shall provide,
    b. the manner in which the services shall be provided, and
    c. other matters of general policy concerning the library.
- **397.15 State Librarian, appointment, Section 5.** The board, in consultation with the council, shall appoint a state librarian who shall serve at the pleasure of the board.
- **397.17 Assistants and employees, Section 7.** The board, may permit the state librarian to employ other administrative and general assistants and employees.
- **397.20 Duties of Library, Section 10(1)(h).** Coordinate the library's library services with the library services of all kinds of libraries, and promote strategic planning and overall development of libraries throughout the state of Michigan.

These points are merely a beginning. A comprehensive review and reorganization of LM is needed so that it can better serve *both* the people of the state of Michigan and the Michigan government.

Make Changes to PA 89 and Related Laws

Once again, a major rethinking and comprehensive overhaul of PA 89 needs to occur. Indeed, in light of the principles proposed above in this chapter, it might be best to begin with a clean slate of what a new PA 89 *should be* rather than simply trying to amend the existing PA 89 and related laws. Borrowing from the models of public library funding support implemented in Michigan's peer states (see Chapter Three), the following general recommendations are offered:

1. **Re-visit State Aid.**

State aid to public libraries should be seen as a "package" of programs linked to incentives for providing better quality programs and services as well as demonstrated accountability for what benefits and impacts result from the state aid.

- Direct state aid to public libraries should be in the $5 to $7 per capita range, and must be indexed annually to inflation. The aid would be provided directly to individual libraries meeting a newly developed set of statewide standards (these standards will require membership in a Cooperative, among other requirements).

- Direct aid to library cooperatives should be formula driven and include:
  a. A base grant of $300,000 to $500,000 per cooperative for operations and salary, not tied to membership composition or size, and indexed annually to inflation
  b. A population served amount in the range of $1.50 - $3 per capita indexed annually to inflation
  c. An area served amount that assists those cooperatives that must cover a large geographic area
  d. Technology Specialists grants (outlined in the short-term strategy) indexed annually for inflation.

- The core services to be provided by Cooperatives include interlibrary loan facilitation as it applies to member libraries; delivery as it applies to member libraries; continuing education as it applies to member libraries; regional database services and development; consulting with all member libraries; advocacy on behalf of all member libraries; communication with state, regions and local library representatives; and other services that may be determined.

2. **Establish Standards.**

LM, with input and discussion from the public library community, library cooperatives, and others, should develop a number of documents related to standards and guidelines. For example, LM should formalize the following:

- **Minimum Requirements for State Aid to Public Libraries.**
  These standards are of the type currently in operation in Michigan that basically answer the question: "When is a library really a library that is entitled to some form of state aid?" Typically, these requirements include hours of operation, number of staff, presence of a plan, and a collection development statement, etc.

- **Minimum Requirements for State Aid to Library Cooperatives.**
  Minimum standards should be developed for Michigan's library cooperatives. Furthermore, in order for a cooperative to receive state aid,

it too should be held to some set of minimum standards. Specifics for these standards could be developed by a committee of cooperative members, library directors, LM staff, and others.

- **Service Quality Guidelines.**
  These guidelines would provide public libraries and cooperatives with a process by which they could improve the quality of programs and services as assessed through agreed upon statewide performance measures and related indicators.

  Specific examples of these kinds of measures can be found in Van House et al. (1987); Hernon and Whitman (2000); and Bertot, McClure and Ryan (2000). For example, a library that has as an objective "to deliver high quality reference and referral service" may use the performance measure "correct answer fill-rate" to determine the quality of that reference service. A set of agreed upon performance measures and related indicators can be developed and used statewide by public libraries to demonstrate the quality of their services.

3. Initiate Incentives and Accountability Programming.
State aid and various other programs to support public libraries in the state of Michigan should be linked to incentives to improve library services and programs and should demand accountability by libraries and cooperatives for the state aid they have received. For example:

- Libraries that improve their performance on agreed upon performance measures and other indicators should receive additional state aid.

- Libraries that try to form district or branch library systems should receive some type of incentive awards.

In terms of accountability, each public library and cooperative should provide an annual report to LM that goes beyond the statistical report they currently submit. Minimally, the libraries and cooperatives should report on their (1) use of state aid in terms of the programs it supported, (2) performance and impact (based on agreed upon performance measures and other indicators) of library services and programs, (3) how this performance informs the library's goals and objectives, and (4) proposed objectives and performance targets for the next year.

4. Eliminate caps on allowable local mills to support public libraries.
The current law does not allow for local communities to tax themselves beyond 4 mill in support of their public libraries. This provision should be removed for a number of reasons. First, one mill produces very different amounts for different communities. Second, if a local community wishes to provide additional support to its public library (beyond 4 mills) it should be

allowed to do so.

The specific recommendations offered in this section only *begin* to address the range of statutory and regulatory changes that are needed to update Michigan public library laws, to simplify them, to make them coherent and understandable, and to support high quality public library services throughout the state. Significant additional work and discussion among the public library community, local and state government officials, Friends and Trustees, and others will be needed to propose the Public Library Omnibus Comprehensive Reorganization Act for legislative review.

Critical Success Factors for Implementing the Strategic Plan Outline

There is significant work yet to be done prior to implementing the strategic plan with both its short-term and long-term initiatives. The recommendations presented here outline that strategic plan, but are not, in themselves, a formalized strategic plan that can be presented to the legislature or the governor's office for consideration. Factors yet to be addressed by the public library community in Michigan to encourage successful efforts to improve the stability and equity of public library include:

- *Leadership among MLA, LM, Coops, PLFIG, key library directors, and others.* As suggested earlier in this chapter, it is essential that there is a coordinated, successful, and highly credible leadership structure to manage strategic planning. Currently, PLFIG may be the best candidate to take on this leadership role assuming it can incorporate itself, design an organizational and management structure, obtain adequate funding, and obtain high quality full-time professional and support staff.

  Regardless of which organization takes on the leadership and management of the strategic plan, all other players in the Michigan public library community will need to work together, agree to agree, agree to disagree, and cooperate for the betterment of all public libraries in the state.

- *Agreement among the public library community on strategy.* Clearly there is much room for discussion as to the best strategic plan to promote the improvement of public library funding to the state government. As suggested earlier, it may be more important that the public library community in Michigan reach agreement on a plan, any plan, such that they can speak in a unified voice on how best to proceed.

  The study team recognizes that details of the long-term initiative will take some time and discussion among the public library community. This discussion should begin immediately either under the auspices of PLFIG or some other statewide group that has significant credibility in the state. The product, however, from this discussion is a detailed legislative proposal that provides for a complete and comprehensive overhaul of the Michigan public laws and regulations that affect public libraries.

- *Grassroots support for a carefully developed and implemented statewide campaign.*
  A key component for a successful implementation of the strategic plan and especially the long-term initiative is a grassroots supported campaign to overhaul the laws and regulations affecting public libraries and to significantly increase overall funding for public libraries. The Trustees, Friends, and others in the state will be essential in making this campaign a success. It will be library supporters, users, residents, Friends, and Trustees, who can best get the attention of state government officials and make concerns known for improving Michigan public libraries.

- *Develop political support for the strategic plan.*
  For the strategic plan to be successful, the public library community, Friends, Trustees, and others will need to nurture the support and interest from key opinion leaders in the Executive and Legislative branches of state government. This effort requires an ongoing, carefully developed education and lobbying effort.

These factors must be kept in mind as the public library moves toward implementation of the strategic plan outlined here. Perhaps over-riding all of these factors is the need for a positive, "can-do," attitude on the part of public library leaders. Change can occur, and change must occur to insure stable and equitable funding of public libraries in Michigan.

Addressing the Crisis

To a large degree, public librarians in the state of Michigan are well aware of the findings reported in this study. They know first-hand of the problems with public library funding and the impact of this inadequate, inequitable and unstable funding situation currently existing in the state. They know there is a crisis. Still to understand the depth and severity of this crisis, however, are the residents, Friends, Trustees, local officials, and state officials. Until these groups recognize the nature, severity, and impacts of the problem, *in terms they understand*, implementing a strategic plan successfully will be very difficult.

The current problems with public library funding in Michigan must be addressed and resolved. As one citizen at a public hearing stated, "we deserve better library services than what we currently get." Because of the wide range of disparities across the state in terms of funding, it is possible to point to well-funded public libraries in Michigan. This is not the norm, however. Public libraries in Michigan need help and support immediately. Residents and state officials need to be made aware of the somber plight of public libraries. They also need to recognize the need and importance of moving forward with a strategic plan such as the one outlined in this chapter.

There is a rising sense of commitment on the part of public librarians in the state to take action. There is clear evidence that residents, Trustees, and Friends are ready to rally to the support of the public library community. Furthermore, the overall health and economy of the state can clearly support a relatively modest $50 million infusion of support for public libraries as well as the long-term effort to overhaul public library laws. *Now* is the time to act, get organized, and work toward implementing a strategic plan such as that outlined in this chapter.

Public libraries in Michigan and residents they serve deserve better; they deserve adequate, stable, and equitable funding. The public library community needs to implement a plan to insure that residents and users of public libraries receive high quality, state-of-the-art information services and resources. ***Action must be initiated NOW.***

Report Appendices

Appendix I

FUNDING ISSUES

POLITICAL ENVIORNMENT

This area is difficult to define, but the issues that are identified in this area often color other financial discussions. There are two themes that tend to define this issue. The first is a strong desire to control taxes and create an increasingly less expensive environment for business. The second is an absolutely fierce belief in the value of local control.

a) Headlee Amendment to the Michigan Constitution (Article IX, Sec. 25-34) limits financial growth. At the state level this amendment provides absolute limits on state revenue and expenditures. The revenue limitation says that the state may not collect a greater percentage of personal income in revenue in years after the approval of the amendment than it did in the base year. That percentage is 9.49 percent. The percentage cannot be found in the constitution, it was calculated later on and it is now a part of budget law. On the local level this amendment controls growth by effectively reducing millage authorization. If local growth of the tax base exceeds inflation local millage rates are rolled back so inflation is not exceeded. If a library levied 2 mills and the tax base increased by 4% (exclusive of new construction) while inflation was 2% the library's millage rate would be permanently rolled back so that only the 2% increase would be reflected. (legal advice needed re changes)

b) In March of 1994 Michigan voters approved Proposal A; this was Governor Engler's answer to school finance reform. This constitutional amendment controls growth by providing taxation limits on real property. "Taxable Value" may only grow at the rate of inflation or 5% whichever is lower. While there is no limit on assessments taxes are now based on taxable value not assessed value. Assessed value only comes into play when real property is sold. For example, take lakefront property that had an assessed value of $150,000 in 1995 and assume inflation during the next five years totaled 10%. Also assume the assessment on this lakefront property has doubled to $300,000 in five years. Taxes will be collected on the "taxable value" of just $165,000 because taxable value growth is limited to inflation or 5%, whichever is less. If this property were sold at $300,000, the new owner's taxable value would jump up to the $300,000. It is only when property is sold that the actual assessed value is reinstated. Statewide there is now a differential of 13% between assessed and taxable value.

c) Tangential to Proposal A is the apparent backlash to most new tax millage requests. The majority of these requests (primarily bond issues for schools) have been voted down in the last five years. This is of concern to libraries with voted millages. Library millages however continue to be approved by voters in most instances.

d) A mill has a variable value throughout the state. Both the SEV and the taxable value of a mill vary dramatically from community to community. While the state average for the taxable value of a mill is approximately $20 per capita the value of that mill will be different in three separate communities. An affluent suburb may tax at one mill and generate $35 per capita. That same mill will generate $17.50 per capita in a mildly economically impacted community and less than $10 per capita in an older urban area. Hence, the same effort generates very different funding results.

e) There are approximately 2000 separate units of government in Michigan. This means it is enormously difficult to impose change from the state level. It also explains why Michigan has 387 public libraries.

f) Public libraries can be legally formed seven different ways. There are different limitations on funding and board size. District libraries can seek 4 mills of support. Other categories of libraries are limited to 2 mills. There really is no limit on a library that receives an appropriation.

g) Public libraries are considered "legal" (eligible to receive state aid) at 3/10 mill support. This is an exceptionally low threshold when the average per capita value of a mill in Michigan is approximately $20 when adjusted for taxable value.

h) Detroit, Grand Rapids, and the Library for the Blind and Physically handicapped receive separate appropriations form the state legislature. The assumption is that they provide a "value added" to overall library service throughout the state. This is not an assumption that is universally embraced.

i) Michicard is Michigan's attempt at a universal borrower's card. Anyone who has a card from a legally established public library in Michigan that participates in the Michicard program may borrow materials from any other participating libraries. Public libraries may choose to participate in this program but receive no net lender reimbursement. The only dollar outlay by the state is to reimburse libraries for materials not returned by Michicard holders. This program has proven popular where reciprocal borrowing has been the custom and practice. Michicard has been an irritant to those who choose not to participate because it falsely raises expectations of end users. Michicard reinforces a very low financial support threshold for the delivery of library service.

j) The Library of Michigan reports to the legislature. This is a mixed blessing. Previously, the Library of Michigan was part of the Department of Education. There is no question it was treated as a stepchild. Because Library of Michigan reports to the legislature it cannot play a major role in lobbying for major financial changes. A series of State Librarians have discovered that the Legislative Council is quite serious about this restriction.

PENAL FINES

This revenue source will tend to generate the most discussion among libraries in Michigan. This revenue source is constitutionally guaranteed, in Article VIII, Sec. 9 of the Constitution of Michigan of 1963, but legislators, judges and local municipalities have been very creative in finding ways to reduce the overall value of this resource.

a) Penal fines are collected and distributed at the county level. Simply stated this means that there is a wide disparity in collections from one county to the next. If, for example a county has one or more major highways, is on a trucking route, and has a weigh station they will probably fare far better that another county that does not have that combination. Hence penal fine collection is inequitable.

b) Cities, for several decades, have been able to write "parallel ordinances" that mirror state statutes and prevent those dollars from being directed to public libraries. Collection tends to be eroded for public libraries that serve urban municipalities.

c) Judges determine how a penalty against an offender will be divided. A speeding penalty might be $100. The judge must decide what percentage goes to court costs and what percentage to penal fines. There is no consistency on this within the state. One court district might determine a 50/50 split is appropriate while another court district within the same county might see a 20/80 split as appropriate. Court costs offset county costs and are also used to fund the legislators and judges retirement fund.

d) Legislators have consistently seen moving violations as a good way to generate additional revenue for a variety of good and worthy causes. Hence they want to add $10 for cause "a" and $15 for cause "b" etc. The practical application of this is that the judge still wants to impose the $100 penalty so state mandates are subtracted first and a smaller total penalty is divided.

e) A large percentage of libraries in Michigan have become very dependent on this revenue stream for their very existence. Between 60 and 80 public libraries would not be recognized as "legal" (3/10 of one mill support) without penal fines. 50% of all public libraries are dependent on penal fines for at least 25% of their total revenue.

f) While the Library of Michigan accepts penal fines as local revenue one can question the degree of local vestment in the community library when a substantial percentage of revenue support is generated from truckers who got caught.

CONTRACTUAL AREAS

This is an area that is directly related to penal fines that has a variety of implications. The Library of Michigan claims that virtually 100% of the residents of the state receive and pay for library service. This happens in three ways.

a) People are served by a legally established public library and pay a direct or indirect tax for that service.

b) An established library has a contract with a neighboring community (usually a township) that assigns penal fines, state aid, and a negotiated fee to provide service to those citizens.

c) An established library has a contract with a neighboring community that assigns solely penal fines and state aid to provide service to its citizens.

This causes a number of issues for public libraries in Michigan and offers some insights into why it is difficult to develop funding solutions.

a) Universally there is a disparity between what a resident in a "legal" area pays for library service and what a resident in a contractual area pays. Residents in a contractual area always pay less.

b) Contractual areas are not secure. Contractual areas are free to shop for the "best deal" on a regular basis. If library "A" is willing to accept the responsibility for serving a population for penal fines and state aid alone that was formerly served by Library "B" for penal fines, state aid, and a fee library "B" will take a financial hit.

c) Contractual areas can divide their contracts. A township can choose to direct 1/3 of their penal fines to library "A" and 2/3rds to Library "B". Based on an Attorney General ruling both libraries are obligated to serve 100% of the people living in the contractual area.

d) Contractual areas can choose to form their own libraries (they could become legal public libraries) or join a neighboring library as part of a district. In both circumstances the contractual area would now be considered "legal". Generally, if contractual areas choose to form their own library they tend to be small and ineffective. If they choose to join a neighboring library in the formation of a district a neighboring library that had some percentage of a contract often experiences a financial loss. If library "A" has 25% of a Township contract for service and that Township chooses to join library "B's" district library "A" would lose the revenue generated by the 25% contract.

e) Contractual areas are a leading cause of inaccurate statistical information about funding. When reports are done on the value of a mill in a library district information is reported on the entire service area of a library. However, the only portion of the library service area where a tax applies is the legal service area.

STATE FUNDING

Virtually all state funding is delivered through state appropriation under PA 89 of 1977. This legislation established direct state aid to public libraries, direct state aid to library cooperatives, and "swing aid" sent to public libraries to "purchase " cooperative services.

a) Full funding of this bill means that on a per capita basis $1.50 exists to divide between the three categories listed above. Full funding of this legislation has only been a reality for the last two or three years.

b) There continues to be a debate about "swing aid". Some believe that this category of funds belongs to the cooperatives and that public libraries are simply an accounting vehicle. Others believe that all or some of these dollars should be retained by the public library to literally shop for services. This is played out differently throughout the state and tends to reinforce the differences between urban and rural areas as well as small and large libraries.

c) Libraries are comparatively free to shop for a cooperative. If a library currently belong to a cooperative that cooperative will receive direct per capita state aid for the service population of that library and may receive some or all of the "swing aid" that library generates dependent on cooperative bylaws and practice. If a library chooses to withdraw from a cooperative but remain unaffiliated the direct aid for that population is retained by that cooperative. If a library chooses to join, and is accepted, by a different cooperative all dollars shift to the new cooperative. In theory, because there are no geographic limits on cooperative formation, a disparate group of libraries could choose to form a totally new and unique cooperative and financially devastate several existing cooperatives.

d) Cooperatives have generally produced more value added for small libraries than large. This has had a tendency to create a have vs. have not as well as an us vs. them mentality among libraries in the state.

e) There are questions as to whether this remains the appropriate vehicle to deliver state aid. However it does represent the status quo. Opening this piece of legislation is feared.

MUNICIPAL FINANCE REFORM

This is an increasing area of concern. It is an outgrowth of the general political climate in Michigan. This says that to retain and attract business the state will manufacture a variety of tax incentives. Many of these incentives find a way to capture some portion of the real and personal property tax base and lower and/or redirect taxes. For purposes of this discussion a few definitions are necessary. The State Equalized Valuation or (SEV) consists of real property (a house or business location) and personal property (business equipment subject to depreciation with a value greater than $500).

a) Downtown Development Authorities (DDA) identify a segment of the community and establish it as a separate taxing district. Existing taxing entities like schools and public libraries continue to receive taxes on the original value of the DDA but all new growth is siphoned off and used for additional DDA development. Generally, but not exclusively DDAs exist in urban areas. The use of a DDA is a local municipal decision.

b) Tax Increment Financing Authorities (TIFA) actually exist within a DDA. However, a TIFA may exist outside of a DDA under a variety of different state legislation. The TIFA is becoming increasingly popular in more suburban areas. Once again a TIFA is a local municipal decision.

c) Industrial and Commercial Facilities Tax Abatements (IFT/CFT) are local decisions to provide tax abatements to individual business on real and personal property for a specified time limits. If a business promises to build a million dollar addition on their property and add 20 jobs a local commission might grant them seven year 50% abatement on real and personal property. Once again a local decision.

d) Neighborhood Enterprise Zones provide tax relief for residential development in thirty economically depressed communities in Michigan. Different rules apply to rehabilitated property, new residential property, and rental property, however the net effect is a tax break for property owners of more than 50% on all real estate taxes.

e) Renaissance Zones must be designated by the state and certain poverty criteria must be met. Virtually all property taxes are forgiven within a Renaissance Zone to encourage business investment. ***RENAISSANCE ZONE LEGISLATION DOES CARRY AN AMENDMENT THAT REQUIRES THE STATE TO REIMBURSE LIBRARIES FOR LOST REVENUE.***

f) Single Business Tax (SBT) was established in the late 1970's to replace the corporate income tax. This tax is being phased out over a twenty-year period. District libraries formed prior to 1997 are eligible to receive this revenue based on their local millage through 2006. There is no guarantee that legislation will emerge to continue this revenue stream beyond 2006 although other taxing entities will continue to receive some revenue until 2020.

g) Act 328 of 1998 allows a local municipality to provide an100% tax abatement to personal property tax to a business that requests this type of abatement. Certain poverty criteria must be met before a municipality is allowed to use Act 328. Act 328 is applied most frequently in older urban areas. Personal property tax often constitutes 15 to 30% of the value of the SEV. Urban communities that have a local income tax (generally 1% on residents and .5% on non-residents) and a decreasing dependence on property tax, as a revenue source is most likely to employ Act 328. The reasoning is that if more jobs are created the lost personal property tax will be more than offset by increased income tax. For libraries that rely on property tax the erosion of personal property tax is a very serious issue.

h) Brownfield Reclamation Authorities are a relatively recent phenomenon. The state identifies some or all of a given community as a Brownfield. Simply stated, this means that there are properties that have been polluted and abandoned by former owners. For all practical purposes the land has no or very minimal value to a current tax base. Communities, primarily urban core cities, apply for various state and federal grants to make the property habitable and then offer 100% tax breaks to business to convince them to relocate. While there is minimal loss experienced by libraries initially through Brownfield redevelopment, libraries will not benefit from business growth in a Brownfield for the foreseeable future.

i) Recent administrative decisions at the state level have permitted accelerated depreciation of personal property. This will probably devalue personal property tax by 10 to 20%. If the taxable value of a library district was $2,000,000,000 in 1999 and 200,000,000 of that value was personal property in the year 2000 with accelerated depreciation schedules that value is likely to be between $160,000,000 and $180,000,000. A library with a two-mill tax in this district will lose between $40,000 and $80,000.

j) The Michigan Tax Tribunal is currently hearing a case destined to be decided in the courts regarding depreciation schedules for Consumers Energy. Governmental entities believe than Consumer's Energy should be treated the same as all other industries in terms of depreciation. Consumer's Energy contends that utilities are in a separate and unique category. Should Consumer's win the lawsuit local taxing authorities, including libraries with voted millages, will be required to return monies to the utility company collected since 1997. This case has not yet gone to court and will probably not be decided for at least two to three more years.

FORMULA FOR DISASTER

Based on the financial information presented it is probable that there are several libraries that will face serious support issues in the next one to five years. These are not just those libraries that are inordinately dependent on penal fines as a primary revenue stream.

Libraries in poor urban areas will be the first to feel the full impact of a combination of financial issues. Most cities have parallel ordinances that affect penal fine collection. If urban libraries have contracts with outlying townships and additional parallel ordinance are written funding is further weakened.

More importantly, virtually every item listed under "Municipal Finance Reform" will be employed in a poor urban community. These efforts effectively reduce the value of a voted mill. Additionally, the actual value of a mill in poor urban communities tends to be static or decline. Poor urban communities are dealing with property value deflation combined with efforts to improve the local economy that remove large segments of taxable value from the tax rolls. When state efforts to reduce business taxes are added to the mix the situation is daunting.

If the library is at its authorized funding limit the only way for them to generate additional funds or recover lost revenue is by establishing fees (not very productive in poor communities) or generating substantial gifts.

Appendix II

FINANCE STUDY COMMITTEE REPORT TO THE PUBLIC LIBRARY FUNDING INITIATIVE GROUP

June 15, 2000

COMMITTEE MEMBERSHIP

Rebecca Cawley, Director, Northland Library Cooperative
Suzanne Dees, Director, Superiorland Library Cooperative
Ruth Dukelow, AccessMichigan Director, Michigan Library Consortium
Sherry Hupp, Director, Cromaine District Library
Naomi Krefman, Federal Programs Manager, Library of Michigan
Michael Lamb, Director, DeWitt Public Library
Norman Maas, Director, Public Libraries of Saginaw
Robert Raz, (Committee Chair) Director, Grand Rapids Public Library
Sherrill Smith, Public Libraries of Saginaw
John Sheridan, Director. St. Charles District Library
Craig Shufelt, Gladwin County Library

Information on the Libraries for the Blind and Physically Handicapped (p.17-23) Provided by:

Phyllis Jose, Director, Oakland County Library
Richard Schneider, Library Manager, Traverse Area District Library

COMMITTEE CHARGE

The Finance Study Committee will provide the Public Library Funding Initiative Group with an analysis and response to the first three questions posed in the RFP:

1) Provide a thorough analysis of how public libraries in Michigan are currently funded (a narrative section that explains anomalies is strongly desired).

2) Provide a statistical section showing up-to-date revenue comparisons for all public libraries in Michigan with a breakdown by revenue source.

3) Identify current threats to revenue streams and comment as appropriate (e.g. parallel ordinances in townships reduce penal fine revenue; single business tax elimination; threats to eliminate personal property tax revenues).

[Special note to the reader. Please take the time to visit the web site that has been created by the Finance Study Committee thanks to Sherry Hupp and her staff at the Cromaine Public

Library in Hartland. You will especially want to review the charts and graphs found at http://www.cromaine.org/plfig-fsc/chargr/chargr.htm **that were created by Naomi Krefman at the Library of Michigan. Naomi did an outstanding job of pulling together a variety of charts and graphs that should be able to answer almost any question relating to the current financing of public libraries in Michigan.]**

COMMITTEE REPORT

Committee Charge Question #1:

Provide a thorough analysis of how public libraries in Michigan are currently funded (a narrative section that explains anomalies is strongly desired).

[The following information is based on the outline from the Library of Michigan publication: Michigan Public Library Trustee Manual http://www.libofmich.lib.mi.us/publications/trustee98 1.htm l(1998 edition). A significant amount of additions have been made to develop this report.]

A. PENAL FINES

Michigan Constitution & Penal Fines Distribution Act

In 1835, delegates to the first Michigan Constitutional Convention passed a constitutional provision which encouraged the legislature to "provide for the establishment of libraries... and clear proceeds of all fines assessed in the several counties for any breach of the penal laws shall be exclusively applied for the support of said libraries."

The 1963 Michigan Constitution readopted a provision from the 1908 Constitution which guarantees that all fines collected for violation of state penal laws are to be used exclusively for library purposes. (**See Article VIII, Sec. 9 of the Constitution of Michigan of 1963 at** http://www.libofmich.lib.mi.us/law/articleviii.html) Michigan enacted statutes requiring that all fines collected for violations of the state penal laws be paid to the local county treasurer. The penal fines collected within each county are distributed in that county. The Library of Michigan is charged by The Penal Fines Distribution Act (1964 PA 59) (http://www.michiganlegislature.org/law/getObject.asp?objName=Act-59-of-1964) to provide a letter to county treasurers and clerks each July 15th, which identifies the public libraries' service populations within the county.

The Penal Fines Act also directs the county treasurer to take the following action by August lst of each year: distribute a fixed amount of penal fines to the county law library fund in accordance with 1982 PA 18 (**see** http://www.michiganlegislature.org/law/getObject.asp?objName=600-4851). Distributed on a per capita basis, penal fine revenues go to all public libraries serving residents of the county.

An important provision of The Penal Fines Act (Sect. 5) provided a mechanism for public libraries to contract for library services with townships and other political jurisdictions in exchange for penal fine revenues. This helped bring access to library services to nearly every citizen in Michigan.

Penal fines are an important source of revenue for many public libraries. A ten year history of the collection of fines and the percentage of increase from year to year is shown below:

Year	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Fines (in millions)	$21.8	$23.4 7.3%	$23.8 1.7%	$23.0 (4.0%)	$23.1 0.1%	$24.0 3.9%	$25.3 5.4%	$27.0 6.7%	$28.4 5.2%	$28.4 0.0%

As can be seen in the chart above, penal fine revenues do fluctuate from year to year. But from 1990 to 1999 the average increase per year has been 2.9% statewide. During this same nine year time period the cost of living increases averaged 4.1% so penal fines have lagged about 1.2% per year behind the COLA.

The collection of penal fines does vary from year to year and can go up and down dramatically from county to county. There are many reasons for these fluctuations. Some are outlined below.

Court Costs and Assessments

A thorough report done by the Michigan Senate Fiscal Agency in 1999 analyzed the collection of fines, fees and costs collected for traffic citations in Michigan. Traffic Citation Revenue in Michigan can be found at http://www.house.state.mi.us/hfa/other.htm. It points out a problem that public libraries have had for many years with the confusing nature of what is a "fine" or "cost". Judges have a great deal of discretion in determining court costs and there is no uniform definition of what constitutes these costs. The court costs can vary from 90% of the total penalty in one county to 40% or 50% in another county.

For example, in a civil infraction for speeding at 11-15 MPH over the limit, fines can vary from $23-$45 and costs from $29-$44. Also attached to the same ticket are mandatory legislative assessments of $5 to the Highway Safety Fund, $5 to the Secondary Road Patrol and Training Fund, and $5 to the Michigan Justice Training Fund. In 1998 these three $5 assessments resulted in revenues of **$20,441,494** ***that did not go to public libraries***. In 1998 public libraries received a total of $28,408,495 in penal fines. So it can be seen that these "assessments" are now nearly as much as the total in fines collected.

There are always great temptations for the Legislature to add more of these additional assessments, usually with the result that fines and costs then are reduced. This lowers the amount of penal fines that public libraries will receive. For example, HB 4527 introduced on April 20, 2000 by Representative DeVuyst would amend the vehicle code to double the current $5.00 mandatory assessment for the secondary road patrol (sheriff's patrol) to $10.00.

Parallel Ordinances

Municipalities can circumvent the constitutional penal fine provisions by adopting their own local "parallel ordinances". When violators are fined under the local ordinances rather than under state penal laws, the fines paid do not go to public libraries. Just recently the State Legislature wrestled with a series of bills dealing with this issue in H.B. 4927-4932 of 1999. **[See at:** http://www.michiganlegislature.org/isapi/nls ax.dil/BillStatus?LegSession=1999-2000&DocType=HB&BillNum=4927**]**

In 1978, legislation decriminalized traffic offenses and, for the first time, provided for civil infractions. This legislation also added a section to the Michigan Vehicle Code stating that civil fines ordered under the

Code "...for a violation of this act or other state statute shall be exclusively applied to the support of public libraries and county law libraries in the same
manner as is provided by law for penal fines assessed and collected for violation of a penal law of this state." (MCL 257.909). So public libraries were still getting the fines portion from these offenses.

But in 1994 a legislation package amended the Revised Judicature Act and introduced a number of statutes governing local ordinances, providing for the enforcement and adjudication of "municipal civil infractions". These statutes allowed local units to create municipal ordinance violations bureaus. Although neither this legislation nor other State statutes address the disposition of revenue collected for local violations, this revenue traditionally has not been considered penal fine revenue for the purposes of the constitutional dedication of penal fines to libraries.

When House Bills 4927-32 were introduced in 1999, public libraries found themselves in the difficult position of having to battle with counties, cities, townships and other political jurisdictions over the proceeds of fines paid for commercial vehicle violations. Libraries managed to get a disposition of 30% of the proceeds only after intense lobbying.

Public Library Dependency on Penal Fines

The Finance Study Committee has developed a number of charts that provide information on penal fine revenues of public libraries. Perhaps one of the most telling is the "penal fines dependency chart" shown below. This chart indicates that 21 public libraries (5%) were between 75% and 100% dependent on penal fine revenues for all of their operating income and 151 public libraries (40%) were dependent on penal fines for at least 30% of their operating revenues. For much more detailed year-to-year comparisons and a complete list in descending order from 100% dependency on penal fines go to detailed charts at http://www.cromaine.org/plfig-fsc/chargr/chargr.htm

Michigan Public Libraries Penal Fines Dependency Chart, 1999

Penal fine % of total operating income	FY 1999	Cumulative	Cumulative %
75% - 100%	21		5%
60% - 74.9%	24	45	12%
50% - 59.9%	17	62	16%
40% - 49.9%	27	89	23%
30% - 39.9%	62	151	40%
20% - 29.9%	59	210	55%
15% - 19.9%	29	239	63%
10% - 14.9%	44	283	74%
5% - 9.9%	41	324	85%
0% - 4.9%	57	381	100%
	381		

Another significant statistic showing the importance of penal fine revenues is the number of libraries that are dependent upon penal fines to meet the 3/10mill property tax support level to make them eligible to receive state aid. In 1999 there were 76 libraries (20%) of the 381 reporting that were dependent upon penal fines to make this basic eligibility level.

There are many negative factors about penal fines as a source of revenue for Michigan's public libraries. But replacing them with another source of funds is not an easy task. The first problem is obvious from the chart above. Many libraries are heavily dependent upon penal fines as a major source of revenue. There is also a constitutional guarantee that these fines are to be dedicated to public library funding, although as illustrated above this "guarantee" often has to be defended to the Legislature. And there are many ways that penal fines have been eroded as a source of income, including other fees being attached to the process of paying for violations, parallel ordinances, court costs, and inconsistent methods of assessing fines and costs.

Penal Fine Contractual Areas

Many public libraries have developed penal fine contracts with neighboring municipalities. For example, a township library may contract with one or more neighboring townships that do not provide library service and receive the penal fines from these townships. In exchange they provide library services to the citizens of those townships. Sometimes this can create difficulties when two or more libraries enter into competition for the contracts. It is also possible to split the contracts so that two or more libraries are getting a portion of penal fines from another political jurisdiction. In exchange, each library must serve all residents of the township. Often, the providing library service area has an operational millage so the citizens of the providing political jurisdiction are paying more to support the library than citizens from the contracting areas. As Michael Lamb, Director of the DeWitt Public Library notes about this topic:

> "Townships that do not have a library can contract with areas that have libraries for services. They turn over their penal fines to the library and their residents can borrow materials at no cost from that library. The residents do not see the penal fines as a tax because most do not pay the tax or fine. Also, these townships tend to be the furthest from the library building and therefore tend to use library services less frequently. If your library is short of money, you go after these townships because the additional cost of service is less than the additional income gained."

Another illustration was submitted by Suzanne Dees, Director or the Superiorland Library Cooperative in Marquette.

> "There are two public libraries serving one county. They share penal fines on a per capita basis. Nothing unusual so far. The county board gives each library an appropriation to make up the difference between penal fine income and 3/10 mill. Four years ago, they started basing the 3/10 mill on taxable value instead of SEV. [Of course, that lowers the appropriation.] When penal fines go up, the county appropriation goes down. The libraries have not asked for interest earned on penal fines, because they know that any increases in penal fines will be offset by decreases in the county appropriation. Two years ago, penal fine collection went down appreciably and one library received $35,000 from the county. The board questioned the increase, asking if they really needed the 'extra money.' The county called Library of Michigan, who had to tell them that their appropriation is not required because the libraries would meet the 3/10 mill income from other city and school district local appropriations. Press coverage and phone calls from city hall saved the funding, which if lost once will likely be lost forever. The libraries have tried to get a formal contract, but of course the county is reluctant. Penal fines revenue came back up last year and the library's county appropriation dropped from

> $35,000 to $8,000. One library director makes regular reports to county commissioners about the level of service to non-city residents. She points out that penal fines plus the county appropriation amount to $6 per capita, compared to the $15 per capita appropriated by the city. One of the libraries, a class V library, receives 39% of local income from penal fines and 48% from appropriation, no millage. The second library receives 68% of local income from penal fines and 32% from appropriation, no millage."

COMMITTEE SUGGESTIONS ON THE ISSUE OF PENAL FINES

The Finance Study Committee suggests that the consultants pay very careful attention to the issue of penal fine support. If recommendations are made to replace this source of revenue, they should be carefully crafted and defensible to the public library community. If any funding were to replace penal fines as a source of revenue, libraries now highly dependent on this source of funds should be protected and the replacement funds should be dependable from year to year with inflation protection built in. Because there is now a Constitutional guarantee for this source of public library revenue, any replacement for penal fines should be as equally protected as possible. The committee suggests that some type of averaging (e.g., three to five years) should be used to develop a more fair "base" of penal fine support because of the tendency of this revenue source to often fluctuate from year to year.

The Committee suggests that any state aid formula developed should be combined with penal fines replacement for all libraries in order to protect all libraries from losing funding.

The Committee also suggests that contractual arrangements for the purpose of securing penal fines revenue from surrounding political jurisdictions be discouraged. Rather, incentives should be provided that encourage equitable tax support for library services from those using the services. (See in C, D and E below under library millage support, county and district libraries.)

B. STATE AID AND OTHER STATE FUNDING

Since 1939, with the exception of FY 1940 and FY 1941, the State of Michigan has provided state aid grant assistance to Michigan public libraries. For a complete history of the payments of state aid since 1939, go to http://www.libofmich.lib.mi.us/publications/stateaid.html. *Pages 18 and 19 of that state aid document provide a chart of payments that show the amounts provided since 1939. Although the funding formula has changed significantly over the years, public libraries and library cooperatives continue to receive state aid funding as appropriated by the state legislature on an annual basis. Currently, 1977 PA 89 sets forth the statutory provisions for library cooperatives and public libraries and the formulas for disbursing state aid grants. 1977 PA 89 places the responsibility on each public library and library cooperative to decide whether they will apply for state aid annually.*

Under guidelines established by the Legislative Council, the public library filing a state aid application must meet all three guideline requirements: (1) 3/10 mill local financial support, (2) hours open, and (3) certified personnel. For "hours open" and personnel requirements, guidelines vary in number and educational levels with the size of the public library's service population. The specific guidelines are provided in the Library of Michigan State Aid Brochure and Certification Brochure at the URL shown in the paragraph above.

I. **Direct State Aid**. After the public library files a state aid application and it is determined that guidelines are satisfied, the public library receives state aid based on a per capita amount. The 1977 legislation authorized a maximum level of $0.50 per capita; the authorization has remained at this same level for the past twenty three years. In 1999 the state legislature for the first time appropriated "full funding" for this legislation at $14.3 million.

II. **Indirect State Aid**. A public library is also eligible to receive a second identical $0.50 per capita grant if the public library chooses to be a participating member of a library cooperative. Some portion of this part of the state aid grant must be spent on purchasing services from the library cooperative. This state aid payment is generally referred to as *indirect state aid, swing aid* or *membership state aid.* There are many different ways that the indirect state aid is utilized. In some cooperatives the entire amount of indirect state aid is sent to the cooperative for services. In others, part of the money is used to purchase services and the remainder used for local library operations. The Cooperative Study Committee chaired by Suzanne Dees is sending out a detailed questionnaire to determine the various uses of state aid and to provide more detail on Cooperative services and funding.

III. ***Library Cooperative State Aid****. Library cooperatives also receive a direct per capita payment for the population assigned to the cooperative's designated service area. This state aid is used to support a variety of activities as outlined in the cooperative library's plan of service to member libraries. The Cooperative receives this per capita funding for the entire population of its service area even if a library in the service area chooses not to be a member of the cooperative. Again, it should be noted as indicated under Direct State Aid above, the state legislature for the first time appropriated "full funding" for this legislation at $14.3 million in 1999. It took 22 years to arrive at full funding. Also note below the discussion under State Aid to Public Libraries and the CPI to get a better picture of the real value of full funding of this act.*

There are currently 14 Public Library Cooperatives in Michigan receiving funds under the provisions of PA 89 of 1977. PLFIG Chair, Saul Amdursky, determined that this area needed a separate group to study the issues of the cooperative services and financing, so a PLFIG Cooperative Funding Committee was created. The committee was chaired by Suzanne Dees, and has a separate report available at http://WWW.kpl.gov/plfig/coopreport6-8.html**. The Finance Study Committee concurs with the conclusion of the Cooperative Committee and includes the following suggestion to the consultants.**

COMMITTEE SUGGESTIONS ON THE ISSUE OF STATE AID TO PUBLIC LIBRARIES AND LIBRARY COOPERATIVES

The Finance Study Committee suggests that the consultants pay very careful attention to PA 89 of 1977 relating to state aid to public libraries and library cooperatives regarding issues of adequate funding methodology (using per capita, population density, etc.), development of basic statewide cooperative services, and recommendations for multi-type cooperation.

IV. **Sparse Population**. To compensate sparsely populated areas, a special cooperative grant of $10.00 per square mile is made to those library cooperatives whose population is less than 75 people per square mile. This second cooperative grant benefits the library cooperatives in northern Michigan.

V. **County Libraries**. A grant of state aid is provided to those county public libraries that serve less than 50,000 persons. The grant provides up to $4,800 if the county library employs a director with a master's degree in library science and four years of administrative experience.

The deadline for filing for state aid consideration is February 1 of each year. Distribution of state aid is usually completed by June of each appropriation year.

State Aid to Public Libraries and the CPI

An interesting chart developed by Jim Seidl, Director of the Woodlands Library Cooperative, points out the effects of inflation on public library state aid. Essentially, "full funding" of the 1977 act would require $1.56 per capita in 1999 based on the CPI increase. This serves as a good example of the problem associated with legislation that does not include any provision for increases in the consumer price index and that is driven by legislative appropriation.

Year	State Aid Full Funding	CPI (January)	COLA Increase	COLA State Aid	50 cents Buying Power	Actual State Aid Paid	State Aid Shortfall	Paid State Aid Buy Pwr
1977	$0.50	0.585						
1978	$0.50	0.625	4.00%	$0.5400	$0.4680	$0.2600	$0.2800	$0.2434
1979	$0.50	0.683	5.80%	$0.5980	$0.4283	$0.2621	$0.3359	$0.2245
1980	$0.50	0.778	9.50%	$0.6930	$0.3760	$0.2892	$0.4038	$0.2175
1981	$0.50	0.870	9.20%	$0.7850	$0.3362	$0.2485	$0.5365	$0.1671
1982	$0.50	0.943	7.30%	$0.8580	$0.3102	$0.2727	$0.5853	$0.1692
1983	$0.50	0.978	3.50%	$0.8930	$0.2991	$0.2405	$0.6525	$0.1439
1984	$0.50	1.019	4.10%	$0.9340	$0.2870	$0.2856	$0.6484	$0.1640
1985	$0.50	1.055	3.60%	$0.9700	$0.2773	$0.2850	$0.6850	$0.1580
1986	$0.50	1.096	4.10%	$1.0110	$0.2669	$0.2970	$0.7140	$0.1585
1987	$0.50	1.112	1.60%	$1.0270	$0.2630	$0.3114	$0.7156	$0.1638
1988	$0.50	1.157	4.50%	$1.0720	$0.2528	$0.3769	$0.6951	$0.1906
1989	$0.50	1.211	5.40%	$1.1260	$0.2415	$0.3767	$0.7493	$0.1820
1990	$0.50	1.274	6.30%	$1.1890	$0.2296	$0.3692	$0.8198	$0.1695
1991	$0.50	1.346	7.20%	$1.2610	$0.2173	$0.3410	$0.9200	$0.1482
1992	$0.50	1.381	3.50%	$1.2960	$0.2118	$0.3890	$0.9070	$0.1648
1993	$0.50	1.426	4.50%	$1.3410	$0.2051	$0.3792	$0.9618	$0.1556
1994	$0.50	1.462	3.60%	$1.3770	$0.2001	$0.3778	$0.9992	$0.1512
1995	$0.50	1.503	4.10%	$1.4180	$0.1946	$0.4200	$0.9980	$0.1635
1996	$0.50	1.544	4.10%	$1.4590	$0.1894	$0.4200	$1.0390	$0.1591
1997	$0.50	1.591	4.70%	$1.5060	$0.1838	$0.4380	$1.0680	$0.1610
1998	$0.50	1.616	2.50%	$1.5310	$0.1810	$0.4520	$1.0790	$0.1636
1999	$0.50	1.643	2.70%	$1.5580	$0.1780	$0.4995	$1.0585	$0.1778
2000								
2001								

Library of Michigan Budget and State Aid for Specific Purposes

The FY 2000 budget of the Library of Michigan (LOM) includes $14,350,700 in "State Aid to Public Libraries" that is paid out under the provisions of P.A. 89 1977. But the Legislature approves a budget that totals $38,977,400 in state funds in the Library of Michigan budget. The LOM budget is provided in detail below. State funds for the Library of Michigan total $11,633,600 including operational, building and automation costs; Federal Library Services and Technology Act (LSTA) funds account for another $4,557,400. The $8,273,800 remaining expenses include state appropriations for services to blind and handicapped residents ($603,500), book distribution centers ($313,500), Access Michigan ($650,000), Renaissance Zone Reimbursement ($428,800), Detroit Public Library ($5,871,600), and Grand Rapids Public Library ($406,400).

Detroit and Grand Rapids Special State Aid Appropriation

For many years the Detroit Public Library has received a special state aid appropriation. This was at one time a part of the Detroit "Equity" package that provided special state funds for a number of Detroit institutions. At a later date it was brought under the Library of Michigan budget. In FY 1998 Grand Rapids Public Library began receiving a similar "equity" grant for services to its regional area. This type of special situation funding is controversial and needs to be addressed by the consultant team. Perhaps it can be used as a beginning point to assist in developing a fair and equitable support formula for those libraries who are providing special services to their regions and to the entire state. Many of the larger urban libraries in the state are serving poorer populations than their surrounding suburbs, but yet are providing resources and collections not available in many of the suburban libraries. Many of these urban libraries are also experiencing declines in property tax support per capita.

The Finance Study Committee suggests that the consultants pay special attention to the funding of the Detroit Public Library. (See on page 10 below under "Funding Inequities" for the particular problem of local tax support for Detroit and other communities.) The Detroit property tax base is insufficient to support the level of library services needed by its 1,027,974 residents. This is a problem not only in Detroit but in many other communities in the state who are below the state average of $22.74 per capita that can be raised from assessing one mill on the local property tax.

Library of Michigan Budget

Line item appropriations from the Michigan legislature for the FY 2000 budget of the Library of Michigan include appropriations for:

Library of Michigan General Operations	8,117,600
Library of Michigan & Historical Center Operations (Operational costs of the building)	2,787,600
Library Automation	728,400
Collected Gifts and Fees (Funded by Fees and Gifts revenues)	161,900
Library Services and Technology Act (Funded by Federal Revenues)	4,557,400
Library of Michigan Subtotal	**16,352,900**
State Aid to Public Libraries	14,350,700
Book Distribution Centers (Promote literacy	313,500

& enrich lives of children and needy adults)	
Subregional Libraries for the Blind and Physically Handicapped	554,300
Wayne County Library for the Blind and Physically Handicapped	49,200
Detroit Public Library	5,871,600
Grand Rapids Public Library	406,400
AccessMichigan/Michigan Electronic Library programs (free databases and other services to public libraries)	650,000
Renaissance Zone Reimbursement (Reimbursement for property tax in losses in special non-tax districts)	428,800
State Aid and Other Subtotal	**22,624,500**
GRAND TOTAL	**38,977,400**

The Finance Study Committee suggests that the Consultants recognize the importance of the Library of Michigan budget in providing support for any funding recommendations for public library support in Michigan. There will be a need to insure that adequate support is available for necessary administrative responsibilities associated with the changes in financing structure.

The Finance Study Committee suggests that the AccessMichigan/Michigan Electronic Library programs receive additional funding. This program has been very popular with public libraries in all areas of the state, bringing electronic resources to many libraries for the first time and saving money for many others. The consultant team should work closely with Library of Michigan staff to determine an appropriate level of support for AccessMichigan and the Michigan Electronic Library.

The Finance Study Committee also supports additional funding for Regional and Subregional Libraries for the Blind and Handicapped. (See the Committee recommendation and full report on this beginning on page 17.)

Funding Inequities

The Finance Study Committee developed a chart that shows the approximate value of 1 mill per capita in property tax support for every public library in the state. Perhaps no other information developed by the committee points out the inequities in property tax support levels across the state more than this one document. **The average per capita tax support (based on one mill) for public libraries in Michigan is $22.74. This varies from a low of $5.86 for the 20,121 residents of Highland Park to a high of $275.44 for the 469 residents of Mackinac Island. Detroit's 1,027,974 residents have $6.77 per capita at the one mill level, which is the second lowest per capita support level per mill in the state.**

(See the "Value of 1 mill on SEV.xls" chart at http://www.cromaine.org/plfig-fsc/chargr/chargr.htm **to get detailed information on the value of one mill per capita for each public library in the State. Two charts are provided, one in alphabetical order and a second in descending order from highest to lowest per capita support. The reader needs to understand when viewing this chart that it was**

developed for comparison purposes as an illustration. A further refinement of this chart would be necessary if any support funding formula were to be developed based on millage support per capita.)

COMMITTEE SUGGESTIONS ON THE ISSUE OF STATE AID

The Finance Study Committee suggests that the consultants consider a completely new mechanism for paying state aid to public libraries. This could include a method for providing a substantial per capita support base grant to every library and an "equalizing" per capita support grant up to some millage level (perhaps 1 mill or more of local effort) to bring libraries up to the state per capita average for each mill. The formula should utilize "taxable value" rather than "state equalized value" in order to provide a match to dollars per capita that are actually collected by each library for each mill. (See chart and recommendation following on pages 12 & 13.) This state aid grant formula should be developed in tandem with any formula that may be considered for replacement of penal fine revenues. The two should be considered together. (See page 6 for the penal fine recommendations.)

C. APPROPRIATIONS

Public libraries may receive local funding through appropriations from local municipalities. Municipalities (including counties, cities, villages, townships, or school districts) may appropriate from their general funds to provide library service to residents of the municipality. These appropriations may be made if the public library is located within the municipality's boundaries (legal service area) or if the municipality contracts with a neighboring public library to provide library services to its residents (contractual area).

With a few exceptions, municipalities are generally not required by law to provide appropriations for a public library service. If there is no special statute or written contract by which the municipality agrees to fund the library, the library board cannot force the municipality to make appropriations from the general fund.

The Finance Study Committee developed information showing the major categories of public library income. In FY 1999 the total amount of appropriated support for public libraries was $41,521,121 as shown on the chart below. This was down from $46,221,064 in FY1997. Michigan's public libraries are moving away from appropriations as a method of support to the more certain voted millage support. Also note in the chart below the difference in state equalized value (SEV) and "taxable value". This is an important distinction because the current eligibility for state aid is based on a formula using the SEV rather than the taxable value.

State Equalized Value and Taxable Value

In March of 1994 Michigan voters approved Proposal A. This constitutional amendment controls growth by providing taxation limits on real property. "Taxable Value" may only grow at the rate of inflation or 5% whichever is lower. While there is no limit on assessments taxes are now based on taxable value not assessed value. Assessed value only comes back into play when real property is sold. For example, take lakefront property that had an assessed value (state equalized value) of $150,000 in 1995 and assume inflation during the next five years totaled 10%. Also assume the assessed state equalized value on this lakefront property has doubled to $300,000 in five years. Taxes will be collected only on the "taxable value" of $165,000 because taxable value growth is limited to inflation or 5%, whichever is less. If this property were sold, the new owner's taxable value would jump up to the $300,000 actual state equalized *value. It is only when property is sold that the actual assessed value is reinstated.* ***Statewide there is now a differential of 13% between assessed and taxable value as noted on the chart below.***

Michigan Public Libraries Comparative Statistics 1997-1999

	FY 1997		FY 1998		FY 1999	
Operating Income						
Voted Library Millage	$98,639,984	47.0%	$113,451,587	50.8%	$126,643,980	52.8%
Appropriated Tax	**$46,221,064**	**22.0%**	**$44,343,444**	**19.9%**	**$41,521,121**	**17.3%**
Millage and Tax Total	$144,861,048	69.1%	$157,795,031	70.7%	$168,165,101	70.1%
Penal Fines	$24,419,725	11.6%	$25,363,405	11.4%	$27,093,522	11.3%
Contract Fees	$4,006,192	1.9%	$2,547,937	1.1%	$2,803,456	1.2%
Other Local	$18,467,919	8.8%	$19,476,822	8.7%	$26,040,677	10.9%
Total Local	$191,754,884	91.4%	$205,183,195	91.9%	$224,102,756	93.4%
	FY 1997		FY 1998		FY 1999	
State	$16,691,335	8.0%	$16,782,832	7.5%	$14,699,724	6.1%
Federal	$1,283,818	0.6%	$1,369,114	0.6%	$1,059,910	0.4%
Total Operating Income	$209,730,037	100.0%	$223,335,141	100.0%	$239,862,390	100.0%
Total # libraries reported	379		384		381	
# Libraries with voted millage	205		216		220	
% Libraries with voted millage	54.1%		56.3%		57.7%	
# Libraries with appropriated tax income	195		191		177	
% Libraries with appropriated tax income	**51.5%**		**49.7%**		**46.5%**	
# Libraries met 3/10 mil with penal fines	360		362		363	
# Libraries met 3/10 mil without penal fines	284		282		287	
# Libraries dependent on penal fines for 3/10 mil	76		80		76	
State Equalized Value - Michigan	**$216,745,336,185**		**$237,415,970,682**		**$261,002,177,463**	
Taxable Value - Michigan	**$202,779,136,107**		**$215,179,117,793**		**$228,108,838,849**	
Taxable Value % of SEV	**93.6%**		**90.6%**		**87.4%**	
Average millage rate based on SEV	0.46		0.48		0.49	
Average millage rate based on Taxable Value	0.49		0.53		0.56	
	FY 1997		FY 1998		FY 1999	
Average millage and	0.67		0.66		0.64	

tax total based on SEV			
Average millage and tax total based on Taxable Value	0.71	0.73	0.74

Another important statistic on the chart above is that the taxable value of all property in Michigan in FY1999 was $228.1 billion. If 1 mill were assessed **statewide** it would produce $228.1 million in revenue. For example, there is a statewide assessment of 6 mills for public schools that was mandated by Proposal A. That raised $1,369,000,000 for public schools. **It is interesting to note that the entire support for public libraries in FY 1999 from all sources was $239, 862,390.** This is very close to equaling 1 mill statewide.

The Finance Study Committee suggests that any new funding formula should recognize the important change in tax collections that are now based on taxable value rather than on state equalized valuation. Any support formula should now use taxable value since this figure establishes the basis for collection of property taxes.

D. INDIVIDUAL LIBRARY MILLAGES

In lieu of, or in addition to, local appropriations, a public library may be funded through library millages for the purpose of collecting property taxes. These millages are voted on by the electorate and are designated specifically for library purposes. Local municipalities may not use library millages for any other purposes.

I. **City, Village, and Township Libraries**. Millages for township and village libraries are covered by sections 10 and 10c of the City, Village, and Township Libraries Act, 1877 PA 164, MCL 397.210 and 397.210c. http://www.michiganlegislature.org/law/GetObject.asp?objName=397-210&queryid=261988&highlight=397%2E210. City library millages are covered by section 1, or sections 10a and 10c, MCL 397.210, 397.210a, and 397.210c. Section 10c provides that libraries established pursuant to sections 10 or 10a of 1877 PA 164 may place library millage questions on the ballot by presenting a resolution to the local municipal clerk for inclusion on the ballot at a regular or special election. City libraries established under section 1 of 1877 PA 164 are eligible for up to one mill without a vote and an additional mill with a vote, both at the discretion of the city council. City, village, and township libraries which were not established pursuant to 1877 PA 164 may attempt millages pursuant to MCL 397.210 or MCL 397.210a if they also simultaneously re-establish as 1877 PA 164 libraries (MCL 397.212). This is accomplished by including establishment language in the ballot question for library millage. Under these sections, a petition signed by at least fifty (50) voters must be presented to the local municipal clerk for inclusion on the next regular election ballot.

II. **District Libraries**. District library boards may place district-wide millage questions on the ballot by resolution of the library board. If an individual municipality within a district library district wishes to provide separate millage support for the district library, the governing board of that municipality may place the millage question on the ballot. See 1989 PA 24 http://www.michiganlegislature.org/law/GetObject.asp?objName=Act-24-of-1989&queryid=262065 for specific provisions on district library millage elections.

III. **County Libraries**. Millages for county libraries are placed on the ballot by the County Board of Commissioners pursuant to 1917 PA 138, MCL 397.301. http://www.michiganlegislature.org/law/GetObject.asp?objName=397-301&queryid=262073&highlight=397%2E301 If the County Board of Commissioners does not choose to place the library millage question on the ballot, there is no way for a library board to place a county-wide millage question on the ballot. Residents of the county may petition the Board of County

Commissioners to place a library millage question in the ballot, but the petition does not make placement on the ballot mandatory.

IV. **School District Public Libraries**. School district public libraries may no longer be funded by millages because of the school finance reform legislation of 1994 (Proposal A). But these libraries continue to play a vital community role in the extreme rural north where weather and distance complicate travel, where schools continue to be community centers, and where local governments spend the great part of their public funds on road maintenance. For instance, in the Superiorland Library Cooperative, 8 out of 17 libraries are school district public libraries serving 32% of the total cooperative population. Without school district libraries, three counties representing over 1,800 square miles would have no library service within 50-100 miles. As of the fall, 2000, 7 out of 8 of these school public libraries will be in new facilities with access for people with disabilities.

The Finance Committee suggests that the consultants develop a support formula that encourages and provides an incentive for voted millages over general appropriations. This incentive could encourage countywide millages and district library millages as discussed below. The Committee suggests changing the school finance law to allow a separate millage for existing school district public libraries established prior to Proposal A or finding a new source of funds that would remove competition with the local districts for limited, capped school district millages for these libraries.

E. County-wide Millages

Several counties include one or more public libraries which may not have their own voted library millages. Instead of attempting a separate library millage campaign in each library's legal and/or contractual service area, some libraries have obtained a county-wide millage which is divided among the libraries in the county based on a formula (per capita or other) agreed to by the libraries. These county-wide millages are placed on the ballot by the County Board of Commissioners, pursuant to 1917 PA 138, MCL 397.301. Prior to the vote on the county-wide ballot question, all of the library boards in the county enter into a library services agreement with the County Board of Commissioners and the county library board, if any. This agreement details the method of division of the county library millage and the amount to be collected annually.

The benefit of a county-wide millage is that all service areas within the county, both legal and contractual, levy the library millage. This avoids the problem of only the legal service areas providing millage funds, while the contractual areas provide only penal fines and perhaps a token appropriation.

F. RE-ESTABLISHING AS A DISTRICT LIBRARY

Frequently, city, village, and township libraries receive adequate funding from their legal service areas but are unable to extract fair payment from the contracting municipalities. If the option of a county-wide millage (see above) is not possible, these libraries may wish to re-establish as district libraries pursuant to 1989 PA 24.

By re-establishing as a district library, a city, village, or township library increases its legal service area to include additional municipalities (usually served previously as contractual areas).

After re-establishing as a district library, the library board is authorized to place a district-wide millage question on the ballot for voter approval. If approved, this millage covers the entire district. See the Library of Michigan's publication, District Library Law: Establishing and Funding a District Library at http://www.libofmich.lib.mi.us/publications/distlibguideapp.html

The Finance Study Committee suggests that the formation of district libraries be further encouraged by funding incentives for establishing or expanding them. The committee believes this is an important law that allows public libraries to establish as taxing authorities separate from any other political jurisdiction.

G. FEDERAL GRANT FUNDS: LSTA AND OTHER FEDERAL FUNDS

LSTA:
Support for statewide services to all Michigan libraries, and startup funding for innovative projects is provided through the Library Services and Technology Act (LSTA). This federal program has two broad purposes: to encourage library technology and networking among all types of libraries; and to provide assistance to those having difficulty in using libraries. These federal funds are administered by the Library of Michigan.

LSTA information is provided by the Library of Michigan web page on their web page at http://www.libofmich.lib.mi.us/lsta/lstaprog.html.

Committee Charge Question #2:

Provide a statistical section showing up to date revenue comparisons for all public libraries in Michigan with a breakdown by revenue source.

- **a) Appropriations from a separate governing authority (city, township, village, county, etc.)**
- **b) Directly voted millage**
- **c) Penal fines**
- **d) Locally generated revenue (photocopy receipts, overdue fines, etc.)**
- **e) Single Business Tax**
- **f) Revenue sharing**
- **g) State aid**
- **h) Gifts, donations, fundraising and fund development**

Naomi Krefman, Federal Programs Manager at the Library of Michigan, developed an extensive list of charts for the Finance Study Committee. These charts provide a very thorough and comprehensive coverage that should provide answers to almost any need for information on Michigan public library statistics. We did as thorough a job as we felt necessary to provide the consultant team with most of the available statistical information. The charts can be found on the Committee's web site at: http://www.cromaine.org/plfig-fsc/chargr/chargr.htm.

Committee Charge Question #3:

Identify current threats to revenue streams and comment as appropriate (e.g. parallel ordinances in townships reduce penal fine revenue; single business tax elimination; threats to eliminate personal property tax revenues).

Responses to most of this part of the committee's charge have been included in the narrative above under each section. In addition to this Norm Maas and Sherrill Smith from the Public Libraries of Saginaw are compiling information concerning threats to library revenues. They are creating a questionnaire with the assistance of the consultant team that will develop more detailed information on a number of tax breaks for business and industry that threaten library revenue. These threats have been created in large part by the establishment of special taxing districts that are established by the State Legislature to create incentives for businesses. They usually involve exemptions for certain periods of time for such things as new industrial facilities, locating a business in a "brownfield", renaissance zone, etc. Also, libraries that have been receiving proceeds from Michigan's Single Business Tax will see that revenue phased out completely by 2007. And for public libraries in many urban areas of the state there are concerns about declining revenues from the personal property tax.

Personal Property Tax

The Michigan Chamber of Commerce for several years has declared its number one legislative priority to be the elimination of the personal property tax. Personal property includes such things as equipment, furnishings, machinery and computers owned by businesses or transmission lines for utilities – almost anything a business owns that is not real estate. Partially in response to intense lobbying from the Chamber, the State Treasurer changed the method of depreciating personal property in 1999. The changes have the result of reducing personal property tax (and therefore revenues for those who get the tax) by about 10% to 15%. For some municipal libraries in Michigan the personal property tax portion of the property tax can be as high as 25% of the money collected in property taxes. So these changes will have a significant impact on those libraries. The survey being done by Smith and Maas should provide more information on this issue.

Renaissance Zones

One of the most recent incentives to businesses in Michigan has been the establishment of Renaissance Zones in several Michigan cities. 1996 PA 376 established these special zones (See at http://www.michiganlegislature.org/law/IterativeSearch.asp) that provide a fifteen year moratorium on most state and local taxes for businesses establishing in a Renaissance Zone. Public schools, community colleges and public libraries are reimbursed by the state for property taxes that are not paid by the businesses. Cities and other political jurisdictions receive no reimbursement for the lost taxes from the state. It is assumed that the creation of jobs result in an economic benefit to each community.

The Library of Michigan budget included $428,800 that is available to reimburse public libraries for these special tax-free areas. Grand Rapids, for example, will receive approximately $90,000 in FY 2000 in reimbursement from the state for the taxes that otherwise would have been collected in the Renaissance Zones in Grand Rapids.

The Finance Study Committee suggests that this mechanism for reimbursing public libraries for lost revenues in Renaissance Zones be considered as a possible mechanism for creating state reimbursement for taxes lost by public libraries for other special taxing districts. (See H.B. 5664 introduced by Rep. Kelley on Feb. 1, 2000: http://www.michiganlegislature.org/isapi/nls ax.dll/BillSearch.**) This gives an example of legislation that seeks such protection of tax income.**

Library Services to the Blind and Physically Handicapped

The following report was provided from the public libraries that have established services for the blind and handicapped residents of Michigan.

The Finance Study Committee endorses the funding goal of this group for base grants of $60,000 for each Subregional and Regional Libraries for the Blind and Physically Handicapped ($720,000) and for per capita grants of $10 based on the eligible user population of 96,420 ($964,200) for a total support level of $1,684,200. The support level needed for Michigan's citizens who qualify for library services to the blind and handicapped should recognize the special service needs of these citizens. The Committee suggests that the Consultant incorporate this funding formula for this important service population into the final support recommendations.

The current level of support in the Library of Michigan budget for FY 2000 is $603,500 for the Regional and Subregional libraries. The $720,000 figure will provide the base support for these twelve libraries and will replace a current LSTA stipend now at $215,250 in the FY 2000 LOM budget.

The report provided to the Finance Study Committee follows below:

Michigan Libraries for the Blind and Physically Handicapped
Funding Plan
1998

Service History

"Federal library service for people who are blind or physically handicapped, under the direction of the Library of Congress, was mandated by the passage of the Pratt-Smoot Act in 1931. The Library of Congress was authorized to produce reading materials and to distribute them through local or regional centers. In Michigan two regional centers were established: Wayne County Regional Library and the State Library Agency, now the Library of Michigan." (From the "Report of the Michigan Library Association Task Force on Sources of Alternative Funding" October 9, 1992. Michigan Library Association 1992).

Since that time Michigan regionals have created a network of subregional libraries (SBPH) to deliver these services at a more local level. Currently the network serves citizens in all counties of the state via 2 regional libraries and 12 subregional libraries. All network libraries are governed by standards established at both the federal and state level. State-wide in 1996 Michigan LBPH (Library for the Blind and PHysically Handicapped) libraries provided over 780,000 items to approximately 26,000 readers .

Funding History

From its inception this service has been funded by a combination of federal, state and local dollars. The primary federal support comes from the National Library Service (NLS) in the form of recorded materials and playback equipment and "free mail" services. Local funding varies greatly but is in many cases in the form of funding to provide building space and cover associated costs.

The primary remaining service costs are for staffing and day-to-day operations. For the Library of Michigan Regional library these costs have been funded by the state as part of the Library of Michigan budget. For the Wayne Regional and the subregional libraries these day-to-day costs have been funded by:

1) state dollars beginning in FY 1984 as part of a line item in the Library of Michigan budget ($301,000 in 97-98; $603,500 in 99-00 to help replace declining LSTA support)
2) beginning in 1992 as a set aside service contract using federal Library Services and Construction Act (LSCA) Title I funds administered by the Library of Michigan. ($251,250 in 97-98); these Federal funds are being phased out and State appropriations are replacing them.
3) local funding which varies greatly depending on local resources

(For detailed funding history see: the "Michigan Network of Libraries for the Blind and Physically Handicapped 1993 Revised Standards for Subregional Libraries. Library of Michigan, 1993). See http://www.libofmich.lib.mi.us/sbph/sbphservices.html for more information on the LBPH services.

Service Needs

The primary mission of the LBPH as authorized in PL 89-522 is: To provide recorded books and playback equipment for loan to blind and eligible physically handicapped persons who are unable to use standard print materials.

The National Library Service (NLS) based on a 1979 American Federation for the Blind survey estimates that nationally 1.4% of the population are potential blind and visually impaired users of LBPH services. With the current level of funding Michigan network libraries reach only 18% of these potential users. Reading disabled users and those physicially unable to hold a book are additional underserved populations not included in the figures above. Every LBPH library in Michigan can describe outreach possibilities that are currently unmet.

The number of potential users of LBPH services in Michigan is even higher due the age of our population. According to the 1997 "Profile of Older Americans" published by the AARP and the U.S. Dept of Health and Human Services, Michigan is one of nine states with the highest concentration of people over 65. The same study mentioned that in "1992 more than half of the older population reported having at least one disability which limits them in carrying out daily activities..."

Michigan's Office of Aging 1995 report "Aging in Michigan: the Growth of the Elderly Population" predicts that from 2000 to 2010 the number of Michigan residents over 65 will grow by 10% and the population over age 85 will grow by 34%.

While the majority of LBPH users are 65 and over, each network library serves individuals who use the service to enhance education, job and reading skills helping them become part of Michigan's workforce. Services to these users could be expanded with better funding.

Funding Need

Insufficient Funding

State funding has never met levels recommended or supported by such groups as the Libraries for the Blind and Physically Handicapped Consumer Involvement Committee, the Wayne Regional Library Advisory Council, the League of Women Voters, the Library of Michigan Board of Trustees, the Michigan Library Association, and the Michigan LBPH network libraries.

The federal Library Services and Construction Act (LSCA) has been replaced by the Library Services and Technology Act (LSTA) a new program with a new focus. Former State Librarian, George Needham determined that the Library of Michigan would no longer use LSTA funding to support day-to-day operations of the LBPH libraries and began phasing out that source of funding.

Unmet standards
With current funding some network libraries are not able to meet the minimum federal and state core service standards. A February 1998 survey of Michigan's libraries for the blind found that one-half of these libraries failed to meet 3 or more minimum standards. All of the unmet standards are related to number of staff per user and the consequences of not enough staff to meet basic service needs.

Additional materials and newer technologies
Additional materials such as descriptive video, large print, commercial recordings and new technologies including reading machines and Internet access are now available but providing these materials and services is not currently financially feasible for many LBPH libraries.

Funding Proposal

With these needs in mind the network of libraries that serve this special population with the support of the Michigan Libraries for the Blind and Physically Handicapped Consumer Involvement Committee, the Wayne Regional Library Advisory Council, and the Michigan Library Association have agreed to seek increased state funding in order to achieve the following goals:

Goals

-to provide a base level of core services for all users statewide
-to reach potential users defined as 1.4% of the population
-to purchase or expand distribution of additional materials not provided by the National Library Service (e.g. descriptive videos, large print books)
-to provide training, access, and information to eligible users and or agencies serving them to the growing list of adaptive technologies including Reading Edge, Kurzweil, speech synthesizers, etc.
-to provide enhanced outreach and programming services

Core services

Core services and standards are specified in the "Revised Standards (Federal) and Guidelines of Service for the Library of Congress Network of Libraries for the Blind and Physically Handicapped " 1995 and "Michigan Network of Libraries for the Blind and Physically Handicapped 1993 Revised Standards for Subregional Libraries".

Service Population

Population to be served is that defined in the standards as: "adults, young people and children who are unable to use standard printed material as a result of a visual or physical handicap or of a reading disability".

Distribution- Recipients

State funding will be distributed to the currently established Regional Libraries (2) and Subregional Libraries (11)

The establishment or withdrawal of subregional libraries in Michigan must be in compliance with provisions described in the NLS Network Library Manual, February 1993 Revision, Section 9.4.3.1 .

Distribution-Requirements/Eligibility

State funds will be distributed by the Library of Michigan to network libraries that achieve the following requirements (requirements take effect when full funding has been available for 2 years):

a. Meet basic core standards as stated in the "Revised Standards and Guidelines of Service for the Library of Congress Network of Libraries for the Blind and Physically Handicapped, 1995" and the "Michigan Network of Libraries for the Blind and Physically Handicapped 1993 Revised Standards for Subregional Libraries" (or a subset of the Core Standards selected by the LBPH network and approved by the State Librarian).

b. Demonstration of continued local support using a base budget level to be established the year enhanced state funding begins. Local support may include funding for items such as: building and related costs including utilities, etc.; salaries, wages, and/or benefits; library materials and equipment; office supplies; adaptive equipment.

Distribution – Goal

The state funding goal is for base grants of **$60,000** for each Subregional and both Regional Libraries and for per capita grants of **$10** based on the eligible user population (1.4% of the population of the library's service area). See chart below:

Distribution –Priority

If less than full funding is achieved funds shall be distributed according to the following priority:

1. Base grant for all locations up to goal amount
2. Remainder distributed as per capita grants based on potential user population of library's service area.

Distribution -Amount Over "Full" Funding

If full funding is achieved any additional funds shall be spread as part of the per capita amount.

MI Subregional Libraries State Aid Funding Plan and Progress Report Spring 2000 State Aid Plan (From 1997)

Subregional	Eligible * Patron Pop.	Base Grant	Per Capita Grant @$10	Total
Blue Water	4,838	60,000	48,380	108,380
Grand Traverse	5,021	60,000	50,210	110,210
Kent District	8,288	60,000	82,880	142,880
Macomb	9,943	60,000	99,430	159,430
Mideastern	7,947	60,000	79,470	139,470
Muskegon	2,157	60,000	21,570	81,570
Northland	2,661	60,000	26,610	86,610
Oakland	14,991	60,000	149,910	209,910
Upper Peninsula	4,168	60,000	41,680	101,680

Washtenaw	7,223	60,000	72,230	132,230
Wayne	24,424	60,000	244,240	304,240
Downtown Detroit	4,759	60,000	47,590	107,590
Totals	96,420	720,000	964,200	1,684,200

* Eligible pop = 1.4% of total population of service area

Progress Report Since 1997 (Totals)

Year	**LSTA**	**State**	**Total**	**avg $ per iib**	+/- Prev Yr
1997/98	215,250	250,215	465,465	38,788	
1998/99	215,250	554,300	769,550	64,129	304,085
1999/00	161,438	554,300	715,738	59,645	(53,812)
2000/01	107,625	**658,113**	765,738	63,811	50,000
2001/02	53,813	**720,000**	773,813	64.484	8,075
2002/03	----	**720,000**	720,000	60,000	-0-
2003/04	----	**720,000**	720,000	60,000	-0-

**** BOLD state figures are proposed and not yet passed**

Results of proposed increase in State Aid

Year	LSTA	State	Total	State Aid Increase	Amount Per Library	% Increase
2000	161,438	**554,000**	715,438	**0**	59,619	0.00%
2001	107,625	**612,375**	720,000	**58,375**	60,000	10.54%
2002	53,812	**666,188**	720,000	**53,813**	60,000	8.79%
2003	0	**720,000**	720,000	**53,812**	60,000	8.08%
2004*	0	**741,600**	741,600	**21,600**	61,800	3.00%
2005*	0	**764,830**	764,830	**22,230**	63,735	3.00%

Without Increase in State Aid

Year	LSTA	State	Total	Amount Per Library	Relation To Proposed Goals
2000	161,438	**554,000**	715,438	59,619	-380
2001	107,625	**554,000**	661,625	55,135	-4864
2002	53,812	**554,000**	607,812	50,651	-9349
2003	0	**554,000**	554,000	46,166	-13833
2004*	0	**554,000**	554,000	46,116	-15683
2005*	0	**554,000**		46,116	-17619

Goal for years 2001-2003 is to achieve base grant of $60,000 per subregional library

***Goal for years 2004 and beyond is to achieve a 3% per year economic adjustment increase to keep up with rising costs**

FINANCE STUDY COMMITTEE'S TEN SUGGESTIONS TO THE PLFIG AND CONSULTANTS
(Repeated from above)

1) COMMITTEE SUGGESTIONS ON THE ISSUE OF PENAL FINES

The Finance Study Committee suggests that the consultants pay very careful attention to the issue of penal fine support. If recommendations are made to replace this source of revenue, they should be carefully crafted and defensible to the public library community. If any funding were to replace penal fines as a source of revenue, libraries now highly dependent on this source of funds should be protected and the replacement funds should be dependable from year to year with inflation protection built in. Because there is now a Constitutional guarantee for this source of public library revenue, any replacement for penal fines should be as equally protected as possible. The committee suggests that some type of averaging (e.g., three to five years) should be used to develop a more fair "base" of penal fine support because of the tendency of this revenue source to often fluctuate from year to year.

The Committee suggests that any state aid formula developed should be combined with penal fines replacement for all libraries in order to protect all libraries from losing funding.

The Committee also suggests that contractual arrangements for the purpose of securing penal fines revenue from surrounding political jurisdictions be discouraged. Rather, incentives should be provided that encourage equitable tax support for library services from those using the services.

2) COMMITTEE SUGGESTIONS ON FUNDING FOR DETROIT PUBLIC LIBRARY

The Finance Study Committee suggests that the consultants pay special attention to the funding of the Detroit Public Library. (See on page 10 under "Funding Inequities" for the particular problem of local tax support for Detroit and other communities.) The Detroit property tax base is insufficient to support the level of library services needed by its 1,027,974 residents. This is a problem not only in Detroit but in many other communities in the state who are below the state average of $22.74 per capita that can be raised from assessing one mill on the local property tax.

3) COMMITTEE SUGGESTIONS ON SUPPORT FOR THE LIBRARY OF MICHIGAN

The Finance Study Committee suggests that the Consultants recognize the importance of the Library of Michigan budget in providing support for any funding recommendations for public library support in Michigan. There will be a need to insure that adequate support is available for necessary administrative responsibilities associated with the changes in financing structure.

4) COMMITTEE SUGGESTIONS ON SUPPORT FOR ACCESSMICHIGAN/ MICHIGAN ELECTRONIC LIBRARY

The Finance Study Committee suggests that the AccessMichigan/Michigan Electronic Library programs receive additional funding. This program has been very popular with public libraries in all areas of the state, bringing electronic resources to many libraries for the first time and saving money for many others. The consultant team should work closely with Library of Michigan staff to determine an appropriate level of support for AccessMichigan and the Michigan Electronic Library.

5) COMMITTEE SUGGESTIONS ON THE ISSUE OF STATE AID

The Finance Study Committee suggests that the consultants consider a completely new mechanism for paying state aid to public libraries. This could include a method for providing a substantial per capita support base grant to every library and an "equalizing" per capita support grant up to some millage level (perhaps 1 mill or more of local effort) to bring libraries up to the state per capita average for each mill. The formula should utilize "taxable value" rather than "state equalized value" in order to provide a match to dollars per capita that are actually collected by each library for each mill. (See chart and recommendation on pages 12 & 13.) This state aid grant formula should be developed in tandem with any formula that may be considered for replacement of penal fine revenues. The two should be considered together. (See page 6 for the penal fine recommendations and #11 below for the Cooperative Subcommittee recommendation.)

6) COMMITTEE SUGGESTIONS ON TAXABLE VALUE VS. STATE EQUALIZED VALUE (SEV)

The Finance Study Committee suggests that any new funding formula should recognize the important change in tax collections that are now based on taxable value rather than on state equalized valuation. Any support formula should now use taxable value since this figure establishes the basis for collection of property taxes.

7) COMMITTEE SUGGESTIONS ON VOTED MILLAGES VS. APPROPRIATIONS

The Finance Committee suggests that the consultants develop a support formula that encourages and provides an incentive for voted millages over general appropriations. This incentive could encourage countywide millages and district library millages as discussed below. The Committee suggests changing the school finance law to allow a separate millage for existing school district public libraries established prior to Proposal A or finding a new source of funds that would remove competition with the local districts for limited, capped school district millages for these libraries.

8) COMMITTEE SUGGESTIONS ON FORMATION OF DISTRICT LIBRARIES

The Finance Study Committee suggests that the formation of district libraries be further encouraged by funding incentives for establishing or expanding them. The committee believes this is an important law that allows public libraries to establish as taxing authorities separate from any other political jurisdiction.

9) COMMITTEE SUGGESTIONS ON USING RENAISSANCE ZONE REIMBURSEMENT AS A METHOD FOR GETTING STATE REIMBURSEMENT FOR OTHER SPECIAL TAX ZONES

The Finance Study Committee suggests that this mechanism for reimbursing public libraries for lost revenues in Renaissance Zones be considered as a possible mechanism for creating state reimbursement for taxes lost by public libraries for other special taxing districts. (See H.B. 5664 introduced by Rep. Kelley on Feb. 1, 2000: http://www.michiganlegislature.org/isapi/nls_ax.dll/BillSearch.) This gives an example of legislation that seeks such protection of tax income.

10) COMMITTEE SUGGESTIONS ON SUPPORT FOR SERVICES TO REGIONAL AND SUBREGIONAL LIBRARIES FOR THE BLIND AND HANDICAPPED

The Finance Study Committee supports additional funding for Regional and Subregional Libraries for the Blind and Handicapped. The Finance Study Committee endorses the funding goal established by the libraries currently providing services to blind and handicapped residents of

Michigan. These funding goals include base grants of $60,000 for each Subregional and Regional Library for the Blind and Physically Handicapped ($720,000) and for per capita grants of $10 based on the eligible user population of 96,420 ($964,200) for a total support level of $1,684,200. The support level needed for Michigan's citizens who qualify for library services to the blind and handicapped should recognize the special service needs of these citizens. The Committee suggests that the Consultant incorporate this funding formula for this important service population into the final support recommendations.

11) COMMITTEE SUGGESTIONS ON THE ISSUE OF STATE AID TO PUBLIC LIBRARIES AND LIBRARY COOPERATIVES

The Finance Study Committee suggests that the consultants pay very careful attention to PA 89 of 1977 relating to state aid to public libraries and library cooperatives regarding issues of adequate funding methodology (using per capita, population density, etc.), development of basic statewide cooperative services, and recommendations for multi-type cooperation.

Appendix III

Valuation of a Mill Across Michigan

Legal Name	Value of 1 Mill on SEV	Library Service Population	Value of 1 Mill Per Capita

Oakland County Research Library	$ 6,600	18	$ 366.67
Mackinac Island Public Library	129,180	469	275.44
Beaver Island District Library	63,623	404	157.48
Bridgman Public Library	715,547	4,627	154.65
Leelanau Township Library	220,390	1,694	130.10
Glen Lake Community Library	313,150	2,637	118.75
Leland Township Public Library	392,203	4,529	86.60
Elk Rapids District Library	349,290	4,223	82.71
Helena Township Public Library	75,313	994	75.77
Topinabee Public Library	95,300	1,314	72.53
Whitefish Township Community Library	36,290	517	70.19
Peninsula Community Library	297,870	4,340	68.63
Bloomfield Township Public Library	3,188,747	46,761	68.19
Franklin Public Library	173,207	2,626	65.96
New Buffalo Public Library	434,887	6,595	65.94
Pentwater Township Library	114,550	1,786	64.14
Bellaire Public Library	193,160	3,054	63.25
Beulah Public Library	145,390	2,368	61.40
Wixom Public Library	505,417	8,550	59.11
Charlevoix Public Library	464,613	8,010	58.00
Petoskey Public Library	991,487	17,469	56.76
Indian River Area Library	219,787	3,886	56.56
Baldwin Public Library	1,749,170	31,608	55.34
Troy Public Library	3,954,663	72,884	54.26
Central Lake Township Library	147,410	2,787	52.89
DeTour Area School and Public Library	102,887	1,952	52.71
Benzonia Public Library	171,207	3,281	52.18
Dexter District Library	555,507	10,690	51.97
Novi Public Library	1,719,380	33,148	51.87
Morton Township Public Library	190,673	3,702	51.51
Alanson Area Public Library	218,250	4,252	51.33
Saugatuck-Douglas District Library	235,770	4,758	49.55
Port Austin Township Library	177,077	3,621	48.90
Suttons Bay Area District Library	205,233	4,201	48.85
Crooked Tree District Library	152,217	3,158	48.20
West Bloomfield Township Public Library	3,573,113	74,794	47.77
Benzie Shores District Library	99,033	2,159	45.87
Auburn Hills Public Library	778,923	17,076	45.62
Alcona County Library	404,163	9,017	44.82
Boyne District Library	270,100	6,081	44.42
Elberta Public Library	41,973	984	42.66
Gerrish-Higgins School District Public Library	432,257	10,231	42.25
Pigeon District Library	360,703	8,576	42.06
Mackinaw Area Public Library	172,417	4,125	41.80
Brighton District Library	1,343,597	32,152	41.79
Dearborn Public Library	3,651,177	89,286	40.89
Pathfinder Community Library	229,953	5,624	40.89
Grosse Pointe Public Library	2,234,430	54,650	40.89
Hamburg Township Library	532,130	13,083	40.67
Rochester Hills Public Library	3,125,967	77,123	40.53

Northville District Library	952,630	23,539	40.47
Otsego County Library	724,303	17,957	40.34
Saline District Library	630,050	15,698	40.14
Orion Township Public Library	949,137	24,076	39.42
Romeo District Library	751,653	19,099	39.36
Plymouth District Library	1,306,650	33,208	39.35
Farmington Community Library	3,307,140	84,784	39.01
Milford Township Library	593,587	15,242	38.94
Houghton Lake Public Library	462,917	11,918	38.84
Chelsea District Library	471,197	12,177	38.70
Cromaine District Library	791,790	20,772	38.12
Grace A. Dow Memorial Library	2,615,260	69,363	37.70
Washtenaw County Library	36,660	975	37.60
Betsie Valley District Library	77,717	2,074	37.47
James E. Wickson Memorial Library	239,677	6,530	36.70
Dryden Township Library	123,393	3,399	36.30
Salem-South Lyon District Library	365,633	10,128	36.10
Montmorency County Public Libraries	321,743	8,936	36.01
Kalkaska County Library	479,347	13,497	35.52
Richland Community Library	180,877	5,099	35.47
Livonia Public Library	3,561,560	100,850	35.32
Three Oaks Township Library	205,807	5,867	35.08
Curtis Township Library	39,557	1,128	35.07
Herrick District Library	3,003,070	86,332	34.79
Southfield Public Library	2,772,353	80,056	34.63
Walled Lake City Library	578,240	16,897	34.22
Addison Township Public Library	175,917	5,142	34.21
Augusta-Ross Township District Library	162,713	4,759	34.19
L'Anse Area School-Public Library	145,677	4,272	34.10
Huntington Woods Public Library	312,610	9,194	34.00
Manchester Township Library	230,583	6,793	33.94
Howell Carnegie District Library	1,024,227	30,271	33.84
Jordan Valley District Library	217,067	6,477	33.51
Mason County District Library	851,593	25,504	33.39
Portage District Library	1,484,847	44,550	33.33
Moore Public Library	127,817	3,851	33.19
Independence Township Library	816,487	24,722	33.03
Republic-Michigamme Public Library	53,443	1,637	32.65
Armada Free Public Library	173,210	5,334	32.47
Howard Miller Library	369,037	11,469	32.18
Fraser Public Library	437,917	13,899	31.51
Lyon Township Public Library	277,717	8,828	31.46
Shelby Township Library	1,520,923	48,655	31.26
Somerset Township Library	106,493	3,416	31.17
Springfield Township Library	345,543	11,104	31.12
Traverse Area District Library	2,184,613	70,284	31.08
St. Ignace Public Library	133,047	4,284	31.06
Loutit Library	793,797	25,586	31.02
Ann Arbor District Library	4,231,700	136,894	30.91
Warner Baird District Library	411,593	13,670	30.11

Interlochen Public Library	109,807	3,677	29.86
Crawford County Library	314,000	10,641	29.51
Monroe County Library System	3,886,747	132,620	29.31
Schoolcraft Community Library	137,950	4,730	29.16
Milan Public Library	399,340	13,761	29.02
Maud Preston Palenske Memorial Library	535,603	18,827	28.45
Salem Township Library	76,727	2,708	28.33
Ogemaw District Library	282,143	9,961	28.32
Harbor Beach Area District Library	182,687	6,460	28.28
Northfield Township Area Library	188,790	6,732	28.04
Kent District Library	8,330,057	298,644	27.89
Sterling Heights Public Library	3,278,263	117,810	27.83
Thornapple Kellogg School and Community Library	301,703	10,845	27.82
West Branch Public Library	239,923	8,720	27.51
Almont District Library	127,717	4,660	27.41
Madison Heights Public Library	882,350	32,196	27.41
Oscoda County Library	214,127	7,842	27.31
Oxford Public Library	324,247	11,933	27.17
Cheboygan Area Public Library	344,883	12,723	27.11
Thomas E. Fleschner Memorial Library	144,933	5,354	27.07
Surrey Township Public Library	228,403	8,441	27.06
White Pigeon Township Library	139,130	5,160	26.96
Lincoln Township Public Library	524,643	19,470	26.95
Chesterfield Township Library	696,953	25,905	26.90
Deckerville Public Library	128,750	4,788	26.89
Mancelona Township Library	119,983	4,465	26.87
Canton Public Library	1,529,177	57,040	26.81
Clinton-Macomb Public Library	2,739,713	103,048	26.59
St. Clair County Library	3,786,353	142,694	26.53
Sanilac District Library	109,020	4,152	26.26
Presque Isle District Library	394,550	15,043	26.23
Flat Rock Public Library	190,517	7,290	26.13
Leroy Community Library	70,210	2,687	26.13
Manistee County Library	523,093	20,054	26.08
Newaygo Carnegie Library	197,847	7,623	25.95
Utica Public Library	131,603	5,081	25.90
White Lake Township Library	585,883	22,677	25.84
Holly Township Library	416,237	16,130	25.81
Wolverine Community Library	47,287	1,835	25.77
South Haven Memorial Library	251,017	9,748	25.75
Hart Area Public Library	172,537	6,748	25.57
Fowlerville District Library	268,630	10,508	25.56
White Lake Community Library	222,713	8,751	25.45
Thomas Township Library	276,223	10,971	25.18
Waterford Township Public Library	1,671,097	67,020	24.93
MacDonald Public Library	181,730	7,315	24.84
Comstock Township Library	292,950	11,825	24.77
Lois Wagner Memorial Library	201,047	8,118	24.77
Leighton Township Library	75,740	3,069	24.68
Evart Public Library	160,977	6,528	24.66

Macomb County Library	690,550	28,020	24.64
Bayliss Public Library	698,783	28,406	24.60
Luther Area Public Library	36,913	1,526	24.19
Warren Public Library	3,478,773	144,864	24.01
Tecumseh Public Library	366,800	15,304	23.97
Lenawee County Library	1,027,970	42,898	23.96
Manistique School & Public Library	192,010	8,041	23.88
Royal Oak Public Library	1,561,443	65,410	23.87
Vicksburg District Library	171,687	7,197	23.86
Brandon Township Public Library	312,880	13,227	23.65
Missaukee District Library	247,473	10,539	23.48
M. Alice Chapin Memorial Library	82,250	3,505	23.47
Fennville District Library	270,873	11,564	23.42
McBain Community Library	119,247	5,098	23.39
Columbia Township Library	60,217	2,585	23.29
Richfield Township Public Library	79,440	3,413	23.28
Pinckney Community Public Library	211,280	9,101	23.22
Clinton Township Public Library	92,660	3,992	23.21
Gary Byker Memorial Library of Hudsonville	179,817	7,750	23.20
Lenox Township Library	125,183	5,400	23.18
Marshall District Library	443,327	19,154	23.15
Northeast Ottawa District Library	256,930	11,116	23.11
Fairgrove Township Library	98,903	4,290	23.05
Tahquamenon Area Public Library	160,313	6,992	22.93
Gladwin County Library	501,267	21,896	22.89
Shelby Area District Library	217,253	9,519	22.82
William H. Aitkin Memorial Library	118,517	5,216	22.72
Highland Township Public Library	406,947	17,941	22.68
Carp Lake Township Library	27,000	1,193	22.63
Sleeper Public Library	90,157	4,012	22.47
Falmouth Area Library	19,150	854	22.42
Bad Axe Public Library	203,817	9,101	22.39
DeWitt Public Library	590,183	26,363	22.39
Center Line Public Library	201,487	9,026	22.32
White Cloud Community Library	152,710	6,848	22.30
Barryton Public Library	69,263	3,107	22.29
Crystal Falls District Community Library	84,240	3,784	22.26
Munising School Public Library	200,887	9,048	22.20
Georgetown Township Public Library	893,920	40,552	22.04
Ruth Hughes Memorial District Library	201,030	9,158	21.95
Iosco-Arenac District Library	989,067	45,115	21.92
Walkerville Public/School Library	35,580	1,628	21.86
Fremont Area District Library	274,473	12,641	21.71
Delton District Library	265,103	12,306	21.54
Lake Odessa Community Library	71,747	3,372	21.28
Dowagiac Public Library	289,097	13,696	21.11
Home Township Library	88,027	4,178	21.07
Hastings Public Library	190,990	9,075	21.05
Riverview Public Library	291,657	13,894	20.99
Van Buren District Library	827,343	39,556	20.92

Lapeer County Library	1,006,033	48,237	20.86
Blair Memorial Library	287,387	13,874	20.71
Three Rivers Public Library	283,120	13,681	20.69
Harper Woods Public Library	307,797	14,903	20.65
Walton Erickson Public Library	144,313	6,989	20.65
Escanaba Public Library	590,947	28,733	20.57
Harrison Community Library	212,190	10,325	20.55
St. Clair Shores Public Library	1,397,580	68,107	20.52
Litchfield District Library	46,587	2,274	20.49
Menominee County Library	334,080	16,342	20.44
Charles A. Ransom District Library	254,760	12,463	20.44
Coloma Public Library	236,040	11,631	20.29
Tamarack Public Library	163,937	8,093	20.26
Berkley Public Library	343,220	16,960	20.24
George W. Spindler Memorial Library	40,910	2,025	20.20
Reynolds Township Library	113,137	5,608	20.17
Dorr Township Library	109,727	5,453	20.12
Mendon Township Library	96,023	4,783	20.08
Briggs Public Library	349,583	17,469	20.01
Wayne Public Library	398,027	19,899	20.00
Genesee District Library	5,787,163	289,534	19.99
North Branch Township Library	153,843	7,705	19.97
Sturgis Public Library	320,830	16,130	19.89
Allegan Public Library	294,083	14,821	19.84
Otsego District Public Library	256,027	12,916	19.82
Cadillac-Wexford County Public Library	562,057	28,448	19.76
Jonesville District Library	105,353	5,345	19.71
Flat River Community Library	298,193	15,149	19.68
Wheatland Township Library	53,367	2,717	19.64
Galien Township Public Library	60,727	3,094	19.63
Sandusky District Library	140,027	7,155	19.57
Elk Township Library	68,300	3,494	19.55
Henika District Library	102,837	5,288	19.45
Reading Community Library	79,320	4,081	19.44
Parchment Community Library	186,543	9,626	19.38
Grand Ledge Public Library	234,383	12,098	19.37
Cass District Library	662,963	34,616	19.15
Waldron District Library	48,320	2,526	19.13
Sodus Township Library	39,390	2,065	19.08
Paw Paw District Library	216,400	11,354	19.06
Colon Township Library	70,063	3,685	19.01
Portland District Library	217,827	11,462	19.00
Hopkins Public Library	85,610	4,516	18.96
Reed City Public Library	142,573	7,522	18.95
Marcellus Township-Wood Memorial Library	75,457	3,987	18.93
Wayne County Public Library	8,069,597	427,807	18.86
Capital Area District Library	4,935,077	261,877	18.85
Dowling Public Library	86,920	4,631	18.77
Dorothy Hull Library, Windsor Township	120,807	6,460	18.70
Kingsley Public Library	64,920	3,475	18.68

Howe Memorial Library	103,600	5,549	18.67
Nottawa Township Library	123,227	6,607	18.65
Roseville Public Library	956,603	51,412	18.61
Galesburg Memorial Library	169,660	9,119	18.61
Kalamazoo Public Library	2,209,607	119,487	18.49
Marlette District Library	101,203	5,475	18.48
Ypsilanti District Library	1,423,307	77,095	18.46
Watervliet District Library	101,537	5,509	18.43
Hudson Public Library	84,603	4,608	18.36
Lawrence Memorial District Library	40,653	2,221	18.30
Rauchholz Memorial Library	115,307	6,314	18.26
Freeport District Library	124,177	6,802	18.26
Rawson Memorial Library	146,360	8,029	18.23
Eaton Rapids Public Library	194,930	10,715	18.19
Ovid Public Library	101,167	5,569	18.17
Dickinson County Library	487,163	26,831	18.16
Sparta Carnegie Township Library	152,577	8,447	18.06
St. Charles District Library	140,677	7,793	18.05
Bay County Library System	1,998,710	111,489	17.93
Alpena County Library	548,540	30,605	17.92
Redford Township District Library	974,410	54,387	17.92
Willard Library	1,667,003	93,510	17.83
Garfield Memorial Library	128,533	7,212	17.82
Peter White Public Library	642,717	36,289	17.71
Camden Township Library	68,263	3,860	17.68
Saranac Public Library	152,097	8,615	17.65
Charlotte Community Library	345,377	19,608	17.61
Maple Rapids Public Library	77,357	4,392	17.61
Mount Clemens Public Library	421,077	23,937	17.59
Brown City Public Library	80,557	4,583	17.58
McMillan Township Library	52,633	3,027	17.39
Thompson Home Public Library	180,853	10,563	17.12
Cedar Springs Public Library	106,640	6,248	17.07
Buchanan Public Library	158,457	9,285	17.07
William P. Faust Public Library of Westland	1,443,913	84,724	17.04
J.C. Wheeler Public Library	53,090	3,120	17.02
Unity District Library	57,323	3,369	17.01
Ontonagon Township Library	79,597	4,689	16.98
Muskegon County Library	1,909,273	112,974	16.90
Sunfield District Library	41,630	2,473	16.83
Mulliken District Library	31,990	1,903	16.81
Tekonsha Township Public Library	32,967	1,969	16.74
North Adams Community Memorial Library	60,757	3,629	16.74
Constantine Township Library	81,627	4,907	16.63
Corunna Public Library	114,640	6,928	16.55
Fife Lake Public Library	22,230	1,344	16.54
Shiawassee County Library	299,233	18,171	16.47
Grand Rapids Public Library	3,113,320	189,126	16.46
Benton Township-Potterville District Library	66,617	4,051	16.44
Merrill District Library	59,567	3,630	16.41

Pittsford Public Library	68,720	4,205	16.34
Branch District Library System	700,233	42,914	16.32
Grant Public Library	111,657	6,843	16.32
Mayville District Public Library	87,757	5,407	16.23
Chesaning Public Library	185,430	11,440	16.21
Bacon Memorial District Library	500,483	30,938	16.18
Jacquelin E. Opperman Memorial Library	60,533	3,748	16.15
Elsie Public Library	74,130	4,590	16.15
West Iron District Library	134,713	8,371	16.09
Ferndale Public Library	402,743	25,084	16.06
Jackson District Library	2,404,133	149,756	16.05
Burlington Township Library	28,393	1,773	16.01
Eau Claire District Library	123,477	7,716	16.00
Mitchell Public Library	202,317	12,683	15.95
Oak Park Public Library	484,800	30,468	15.91
Public Libraries of Saginaw	2,187,257	137,920	15.86
Hesperia Public Library	77,543	4,934	15.72
Burr Oak Township Library	39,740	2,542	15.63
Edna C. Bentley Memorial Library	117,933	7,597	15.52
Alvah N. Belding Memorial Library	171,260	11,068	15.47
Caro Area District Library	181,427	11,757	15.43
Wakefield Public Library	42,607	2,770	15.38
White Pine Library	141,210	9,284	15.21
Vermontville Township Library	54,063	3,561	15.18
Eastpointe Memorial Library	535,127	35,283	15.17
Garden City Public Library	482,707	31,846	15.16
Carson City Public Library	146,053	9,681	15.09
Niles Community Library	393,650	26,177	15.04
Chase Township Public Library	14,957	999	14.97
Alma Public Library	173,287	11,658	14.86
Berrien Springs Community Library	144,340	9,819	14.70
Millington Township Library	108,437	7,381	14.69
Shiawassee District Library	424,737	29,267	14.51
Allendale Township Library	115,720	8,022	14.43
Adrian Public Library	318,193	22,097	14.40
Athens Community Library	36,137	2,515	14.37
Lyons Village Library	52,100	3,653	14.26
Gladstone Area School & Public Library	128,310	9,047	14.18
Hackley Public Library	561,593	39,865	14.09
Putnam District Library	90,390	6,423	14.07
Lawton Public Library	23,563	1,685	13.98
Chippewa River District Library	762,597	54,616	13.96
Stair Public Library	44,117	3,163	13.95
Taymouth Township Library	63,047	4,524	13.94
Bullard Sanford Memorial Library	127,497	9,153	13.93
Richland Township Library	43,223	3,128	13.82
Bellevue Township Library	40,510	2,938	13.79
Coleman Area Library	58,997	4,286	13.76
Watertown Township Library	28,997	2,132	13.60
Vernon District Public Library	67,587	4,989	13.55

Theodore A. Cutler Memorial Library	97,967	7,272	13.47
Calumet Public-School Library	117,807	9,032	13.04
Negaunee Public Library	91,340	7,109	12.85
Big Rapids Community Library	259,603	20,241	12.83
Homer Public Library	47,750	3,755	12.72
Hartford Public Library	80,087	6,311	12.69
Hall-Fowler Memorial Library	238,590	18,805	12.69
Spies Public Library	133,277	10,585	12.59
Portage Lake District Library	199,867	15,922	12.55
Bessemer Public Library	45,163	3,646	12.39
Pontiac Public Library	876,120	71,136	12.32
Seville Township Public Library	33,727	2,757	12.23
Bridgeport Public Library	187,420	15,409	12.16
Osceola Township School Public Library	21,630	1,780	12.15
Hancock School Public Library	75,410	6,221	12.12
Ironwood Carnegie Library	115,417	9,629	11.99
Flint Public Library	1,647,860	140,826	11.70
Ishpeming Carnegie Public Library	168,167	14,389	11.69
Lake Linden-Hubbell Public School Library	53,440	4,582	11.66
Benton Harbor Public Library	352,243	30,698	11.47
East Lansing Public Library	565,663	50,677	11.16
Hazel Park Memorial Library	221,680	20,051	11.06
Richmond Township Library	11,807	1,095	10.78
Royal Oak Township Library	52,017	5,006	10.39
Albion Public Library	139,253	13,461	10.34
Laingsburg Public Library	84,333	8,719	9.67
Rudyard School-Public Library	70,720	8,606	8.22
Hamtramck Public Library	146,323	18,372	7.96
Forsyth Township Public Library	68,463	8,775	7.80
Detroit Public Library	6,955,217	1,027,974	6.77
McGregor Public Library	117,993	20,121	5.86
FY 1999 totals:	**$211,935,050**	**9,317,879**	
FY 1999 averages:	**$ 556,260**	**24,456**	**$22.74**

Appendix IV

Public Library Reliance on Voted Millage (1999)

Legal Name	Total Voted Millage	Appropriated Tax Income	Total Millage and Appropriated Tax Income	Total Operating Income	Millage & Appropriated Tax % of Total Operating Income	Total Local as % of Total Operating Income
Addison Township Public Library	107,917	$ -	$ 107,917	128,656	83.9%	96.4
Adrian Public Library	-	437,972	437,972	572,880	76.5%	96.9
Alanson Area Public Library	-	3,000	3,000	37,667	8.0%	94.1
Albion Public Library	51,054	225,109	276,163	370,347	74.6%	96.7
Alcona County Library	198,230	-	198,230	267,925	74.0%	98.3
Allegan Public Library	138,724	19,000	157,724	316,048	49.9%	95.5
Allendale Township Library	-	75,626	75,626	132,252	57.2%	94.4
Alma Public Library	-	134,000	134,000	377,700	35.5%	97.0
Almont District Library	95,160	-	95,160	168,891	56.3%	97.0
Alpena County Library	386,800	-	386,800	668,459	57.9%	94.8
Alvah N. Belding Memorial Library	-	69,500	69,500	230,955	30.1%	95.4
Ann Arbor District Library	6,889,553	-	6,889,553	8,015,085	86.0%	98.1
Armada Free Public Library	137,332	-	137,332	153,992	89.2%	96.8
Athens Community Library	-	-	-	10,690	0.0%	100.0
Auburn Hills Public Library	532,465	-	532,465	609,401	87.4%	97.4
Augusta-Ross Township District Library	63,165	-	63,165	88,334	71.5%	95.1
Bacon Memorial District Library	565,045	-	565,045	730,293	77.4%	92.8
Bad Axe Public Library	-	59,685	59,685	173,439	34.4%	95.0
Baldwin Public Library	1,376,712	-	1,376,712	2,036,028	67.6%	98.5
Barryton Public Library	19,066	-	19,066	47,074	40.5%	94.4
Bay County Library System	1,836,181	-	1,836,181	2,598,145	70.7%	96.1
Bayliss Public Library	22,000	151,200	173,200	571,533	30.3%	95.3
Beaver Island District Library	51,855	-	51,855	55,213	93.9%	98.9
Bellaire Public Library	119,990	-	119,990	215,147	55.8%	98.7
Bellevue Township Library	-	-	-	25,371	0.0%	82.6
Benton Harbor Public Library	288,736	-	288,736	711,955	40.6%	95.9
Benton Township-Potterville District Library	29,161	-	29,161	44,723	65.2%	93.1
Benzie Shores District Library	106,930	-	106,930	126,721	84.4%	99.3
Benzonia Public Library	5,245	3,000	8,245	37,805	21.8%	92.2
Berkley Public Library	-	462,966	462,966	548,214	84.4%	97.0
Berrien Springs Community Library	129,699	-	129,699	233,187	55.6%	96.1
Bessemer Public Library	-	32,953	32,953	56,690	58.1%	96.7
Betsie Valley District Library	-	-	-	26,434	0.0%	100.0
Beulah Public Library	-	8,175	8,175	32,019	25.5%	92.7
Big Rapids Community Library	-	122,000	122,000	294,009	41.5%	93.0
Blair Memorial Library	-	274,780	274,780	325,483	84.4%	95.9
Bloomfield Township Public Library	2,595,600	-	2,595,600	3,091,895	83.9%	98.6
Boyne District Library	171,918	-	171,918	224,235	76.7%	97.5
Branch District Library System	347,915	-	347,915	666,632	52.2%	94.1
Brandon Township Public Library	252,577	-	252,577	317,268	79.6%	96.5
Bridgeport Public Library	146,891	-	146,891	254,526	57.7%	92.5
Bridgman Public Library	55,595	-	55,595	222,545	25.0%	79.4
Briggs Public Library	47,362	131,386	178,748	351,753	50.8%	95.7

Brighton District Library	508,557	-	508,557	654,090	77.8%	96.2
Brown City Public Library	9,756	-	9,756	44,688	21.8%	90.1
Buchanan Public Library	-	61,928	61,928	163,568	37.9%	94.6
Bullard Sanford Memorial Library	115,713	-	115,713	210,980	54.8%	95.8
Burlington Township Library	-	4,000	4,000	13,272	30.1%	87.5
Burr Oak Township Library	-	8,500	8,500	24,330	34.9%	90.2
Cadillac-Wexford County Public Library	255,342	-	255,342	732,389	34.9%	95.8
Calumet Public-School Library	-	116,256	116,256	144,906	80.2%	94.0
Camden Township Library	-	-	-	21,157	0.0%	90.0
Canton Public Library	2,428,784	-	2,428,784	2,721,177	89.3%	97.9
Capital Area District Library	-	668,629	668,629	1,973,838	33.9%	93.8
Caro Area District Library	94,319	-	94,319	274,535	34.4%	96.4
Carp Lake Township Library	-	8,612	8,612	19,566	44.0%	93.8
Carson City Public Library	57,660	-	57,660	177,456	32.5%	94.8
Cass District Library	457,684	-	457,684	695,630	65.8%	95.4
Cedar Springs Public Library	29,587	16,857	46,444	67,101	69.2%	100.0
Center Line Public Library	-	189,891	189,891	218,734	86.8%	96.1
Central Lake Township Library	50,189	-	50,189	88,225	56.9%	97.0
Charles A. Ransom District Library	196,966	-	196,966	296,054	66.5%	96.0
Charlevoix Public Library	197,272	-	197,272	278,413	70.9%	97.4
Charlotte Community Library	-	120,500	120,500	265,484	45.4%	85.8
Chase Township Public Library	-	5,428	5,428	15,285	35.5%	93.8
Cheboygan Area Public Library	210,673	-	210,673	394,507	53.4%	98.5
Chelsea District Library	207,354	-	207,354	288,460	71.9%	96.1
Chesaning Public Library	76,505	-	76,505	156,502	48.9%	93.2
Chesterfield Township Library	483,962	-	483,962	568,297	85.2%	95.8
Chippewa River District Library	-	435,000	435,000	877,422	49.6%	94.1
Clinton Township Public Library	65,832	-	65,832	123,500	53.3%	83.6
Clinton-Macomb Public Library	-	-	-	96,476	0.0%	100.0
Coleman Area Library	50,314	-	50,314	74,080	67.9%	94.7
Coloma Public Library	-	39,816	39,816	157,226	25.3%	92.9
Colon Township Library	-	29,200	29,200	47,402	61.6%	96.4
Columbia Township Library	-	-	-	31,679	0.0%	92.4
Comstock Township Library	431,878	-	431,878	515,159	83.8%	97.9
Constantine Township Library	66,809	1,225	68,034	102,448	66.4%	95.5
Corunna Public Library	-	26,000	26,000	70,843	36.7%	78.1
Crawford County Library	-	-	-	159,293	0.0%	94.9
Cromaine District Library	825,390	-	825,390	949,290	86.9%	97.9
Crooked Tree District Library	26,751	-	26,751	50,816	52.6%	94.1
Crystal Falls District Community Library	85,599	-	85,599	133,243	64.2%	96.9
Curtis Township Library	18,075	-	18,075	29,940	60.4%	78.4
Dearborn Public Library	-	3,792,578	3,792,578	4,093,281	92.7%	97.9
Deckerville Public Library	20,699	-	20,699	84,638	24.5%	90.5
Delton District Library	-	50,531	50,531	114,199	44.2%	89.9
DeTour Area School and Public Library	-	-	-	32,773	0.0%	94.3
Detroit Public Library	15,519,720	-	15,519,720	26,450,290	58.7%	73.2
DeWitt Public Library	-	20,000	20,000	228,615	8.7%	89.0
Dexter District Library	224,369	-	224,369	320,625	70.0%	84.4
Dickinson County Library	536,570	-	536,570	750,925	71.5%	96.1
Dorothy Hull Library, Windsor Township	-	20,000	20,000	71,244	28.1%	91.7

Dorr Township Library	-	50,000	50,000	106,256	47.1%	91.6
Dowagiac Public Library	64,141	33,000	97,141	204,419	47.5%	93.6
Dowling Public Library	-	-	-	14,471	0.0%	89.2
Dryden Township Library	144,772	-	144,772	179,097	80.8%	98.2
East Lansing Public Library	-	885,690	885,690	1,200,814	73.8%	96.0
Eastpointe Memorial Library	-	524,483	524,483	644,931	81.3%	94.8
Eaton Rapids Public Library	-	51,360	51,360	126,545	40.6%	77.5
Eau Claire District Library	78,075	7,125	85,200	167,606	50.8%	95.7
Edna C. Bentley Memorial Library	-	31,000	31,000	64,835	47.8%	86.3
Elberta Public Library	-	3,000	3,000	12,831	23.4%	94.1
Elk Rapids District Library	61,922	-	61,922	92,297	67.1%	100.0
Elk Township Library	11,129	2,887	14,016	38,314	36.6%	91.5
Elsie Public Library	-	3,500	3,500	55,647	6.3%	95.6
Escanaba Public Library	-	203,823	203,823	400,475	50.9%	93.1
Evart Public Library	29,590	-	29,590	123,941	23.9%	95.0
Fairgrove Township Library	8,405	-	8,405	60,017	14.0%	92.2
Falmouth Area Library	-	-	-	4,673	0.0%	100.0
Farmington Community Library	-	2,626,269	2,626,269	3,155,018	83.2%	97.4
Fennville District Library	-	11,325	11,325	120,604	9.4%	90.8
Ferndale Public Library	-	318,698	318,698	403,830	78.9%	94.1
Fife Lake Public Library	-	-	-	48,106	0.0%	97.4
Flat River Community Library	322,518	-	322,518	442,871	72.8%	96.7
Flat Rock Public Library	207,592	68,378	275,970	316,536	87.2%	97.8
Flint Public Library	-	3,565,649	3,565,649	4,053,731	88.0%	95.7
Forsyth Township Public Library	-	33,255	33,255	63,895	52.0%	87.1
Fow[illegible]rville District Library	-	110,398	110,398	174,889	63.1%	94.3
F[illegible]n Public Library	86,205	-	86,205	97,424	88.5%	97.4
Frase[illegible]ublic Library	330,000	-	330,000	370,918	89.0%	96.4
Freeport District Library	-	-	-	43,678	0.0%	85.7
Fremont Area District Library	226,962	60,000	286,962	520,058	55.2%	97.7
Galesburg Memorial Library	-	20,327	20,327	47,870	42.5%	96.3
Galien Township Public Library	5,238	-	5,238	33,269	15.7%	91.3
Garden City Public Library	-	228,840	228,840	299,182	76.5%	91.9
Garfield Memorial Library	49,722	-	49,722	112,411	44.2%	94.1
Gary Byker Memorial Library of Hudsonville	-	129,707	129,707	189,434	68.5%	96.1
Genesee District Library	2,709,649	-	2,709,649	3,753,310	72.2%	96.5
George W. Spindler Memorial Library	-	3,576	3,576	8,942	40.0%	100.0
Georgetown Township Public Library	-	161,750	161,750	436,758	37.0%	91.5
Gerrish-Higgins School District Public Library	-	-	-	134,305	0.0%	100.0
Gladstone Area School & Public Library	-	-	-	75,856	0.0%	94.3
Gladwin County Library	231,849	-	231,849	455,589	50.9%	95.6
Glen Lake Community Library	117,042	-	117,042	149,214	78.4%	99.2
Grace A. Dow Memorial Library	-	2,184,899	2,184,899	2,782,392	78.5%	97.6
Grand Ledge Public Library	142,503	-	142,503	236,011	60.4%	95.1
Grand Rapids Public Library	6,352,706	-	6,352,706	7,769,119	81.8%	96.9
Grant Public Library	18,938	1,000	19,938	60,430	33.0%	91.4
Grosse Pointe Public Library	2,391,700	-	2,391,700	2,700,904	88.6%	98.1
Hackley Public Library	426,197	-	426,197	1,146,852	37.2%	96.7
Hall-Fowler Memorial Library	69,564	-	69,564	254,335	27.4%	92.4

Hamburg Township Library	192,166	-	192,166	304,454	63.1%	95.9
Hamtramck Public Library	132,711	-	132,711	155,574	85.3%	100.0
Hancock School Public Library	-	44,183	44,183	66,914	66.0%	84.0
Harbor Beach Area District Library	186,928	-	186,928	276,530	67.6%	97.8
Harper Woods Public Library	-	295,419	295,419	345,095	85.6%	96.0
Harrison Community Library	-	8,900	8,900	128,131	6.9%	92.4
Hart Area Public Library	58,780	-	58,780	158,333	37.1%	88.5
Hartford Public Library	43,862	-	43,862	94,699	46.3%	93.9
Hastings Public Library	16,699	206,000	222,699	304,750	73.1%	97.2
Hazel Park Memorial Library	349,274	-	349,274	415,214	84.1%	95.4
Helena Township Public Library	56,325	-	56,325	68,453	82.3%	98.6
Henika District Library	24,335	42,153	66,488	121,429	54.8%	93.2
Herrick District Library	3,192,520	5,019	3,197,539	4,030,219	79.3%	98.0
Hesperia Public Library	18,448	6,972	25,420	65,105	39.0%	92.1
Highland Township Public Library	391,442	-	391,442	472,699	82.8%	96.5
Holly Township Library	150,872	-	150,872	224,201	67.3%	91.6
Home Township Library	32,786	-	32,786	78,111	42.0%	94.9
Homer Public Library	-	23,437	23,437	46,261	50.7%	92.6
Hopkins Public Library	19,643	1,174	20,817	66,856	31.1%	93.8
Houghton Lake Public Library	213,984	-	213,984	363,048	58.9%	96.9
Howard Miller Library	74,489	145,000	219,489	307,390	71.4%	96.4
Howe Memorial Library	-	1,800	1,800	89,127	2.0%	93.9
Howell Carnegie District Library	768,286	-	768,286	1,030,403	74.6%	96.7
Hudson Public Library	-	93,100	93,100	136,472	68.2%	96.2
Huntington Woods Public Library	-	324,120	324,120	348,778	92.9%	97.5
Independence Township Library	529,805	123,966	653,771	755,906	86.5%	97.0
Indian River Area Library	20,138	84	20,222	110,062	18.4%	84.4
Interlochen Public Library	66,255	4,750	71,005	100,015	71.0%	96.6
Iosco-Arenac District Library	-	-	-	489,790	0.0%	91.6
Ironwood Carnegie Library	-	73,597	73,597	132,720	55.5%	93.1
Ishpeming Carnegie Public Library	-	110,228	110,228	160,254	68.8%	91.8
J.C. Wheeler Public Library	-	-	-	65,537	0.0%	95.5
Jackson District Library	2,097,614	-	2,097,614	3,134,342	66.9%	92.8
Jacquelin E. Opperman Memorial Library	-	-	-	36,669	0.0%	90.2
James E. Wickson Memorial Library	-	122,000	122,000	186,888	65.3%	96.7
Jonesville District Library	-	11,274	11,274	45,134	25.0%	89.1
Jordan Valley District Library	176,824	-	176,824	216,334	81.7%	97.1
Kalamazoo Public Library	7,542,762	-	7,542,762	8,171,859	92.3%	98.6
Kalkaska County Library	-	-	-	150,132	0.0%	88.6
Kent District Library	5,536,497	-	5,536,497	7,572,028	73.1%	95.9
Kingsley Public Library	-	-	-	84,597	0.0%	96.2
Laingsburg Public Library	-	30,000	30,000	63,788	47.0%	93.7
Lake Linden-Hubbell Public School Library	-	57,000	57,000	66,839	85.3%	95.0
Lake Odessa Community Library	42,826	10,000	52,826	117,002	45.1%	96.4
L'Anse Area School-Public Library	-	44,009	44,009	91,573	48.1%	90.9
Lapeer County Library	449,298	-	449,298	813,039	55.3%	91.9
Lawrence Memorial District Library	-	3,736	3,736	14,351	26.0%	85.2
Lawton Public Library	67,058	-	67,058	180,025	37.2%	98.0
Leelanau Township Library	-	50,753	50,753	75,220	67.5%	97.9
Leighton Township Library	40,000	-	40,000	62,360	64.1%	100.0

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Leland Township Public Library	-	37,767	37,767	86,960	43.4%	96.8
Lenawee County Library	-	246,987	246,987	499,575	49.4%	91.2
Lenox Township Library	162,882	-	162,882	184,451	88.3%	97.2
Leroy Community Library	-	-	-	39,535	0.0%	93.5
Lincoln Township Public Library	272,354	-	272,354	525,177	51.9%	96.6
Litchfield District Library	34,580	200	34,780	47,867	72.7%	95.6
Livonia Public Library	2,812,714	730,245	3,542,959	3,973,801	89.2%	97.1
Lois Wagner Memorial Library	-	-	-	185,748	0.0%	100.0
Loutit Library	248,918	310,000	558,918	766,674	72.9%	96.8
Luther Area Public Library	-	-	-	13,946	0.0%	89.8
Lyon Township Public Library	-	79,775	79,775	111,721	71.4%	92.6
Lyons Village Library	-	3,693	3,693	38,945	9.5%	84.3
M. Alice Chapin Memorial Library	7,959	-	7,959	63,104	12.6%	94.8
MacDonald Public Library	220,052	-	220,052	256,438	85.8%	97.3
Mackinac Island Public Library	-	37,258	37,258	57,358	65.0%	99.8
Mackinaw Area Public Library	48,911	20,561	69,472	120,967	57.4%	96.7
Macomb County Library	-	-	-	2,286,028	0.0%	96.5
Madison Heights Public Library	-	419,718	419,718	506,896	82.8%	93.9
Mancelona Township Library	-	6,739	6,739	37,015	18.2%	97.3
Manchester Township Library	-	30,000	30,000	81,639	36.7%	92.3
Manistee County Library	379,138	-	379,138	669,715	56.6%	96.5
Manistique School & Public Library	-	45,597	45,597	109,468	41.7%	93.0
Maple Rapids Public Library	6,121	600	6,721	53,304	12.6%	92.2
Marcellus Township-Wood Memorial Library	18,956	-	18,956	72,114	26.3%	67.0
Marlette District Library	15,331	-	15,331	89,575	17.1%	94.2
Marshall District Library	335,951	-	335,951	448,134	75.0%	95.9
Mason County District Library	431,323	-	431,323	602,088	71.6%	96.1
Maud Preston Palenske Memorial Library	-	179,382	179,382	537,316	33.4%	93.8
Mayville District Public Library	4,820	4,125	8,945	81,904	10.9%	78.7
McBain Community Library	-	97,833	97,833	137,791	71.0%	97.7
McGregor Public Library	-	170,324	170,324	216,451	78.7%	91.4
McMillan Township Library	-	-	-	25,269	0.0%	88.8
Mendon Township Library	37,800	-	37,800	58,761	64.3%	92.4
Menominee County Library	-	88,303	88,303	192,978	45.8%	94.6
Merrill District Library	20,629	-	20,629	57,619	35.8%	94.0
Milan Public Library	238,913	-	238,913	305,013	78.3%	84.5
Milford Township Library	371,042	-	371,042	521,447	71.2%	91.4
Millington Township Library	-	7,000	7,000	107,899	6.5%	80.9
Missaukee District Library	54,967	35,048	90,015	177,390	50.7%	94.3
Mitchell Public Library	-	113,528	113,528	213,762	53.1%	90.5
Monroe County Library System	1,915,823	-	1,915,823	3,520,824	54.4%	94.8
Montmorency County Public Libraries	66,825	-	66,825	145,208	46.0%	94.3
Moore Public Library	21,550	2,500	24,050	77,288	31.1%	90.8
Morton Township Public Library	94,556	-	94,556	132,008	71.6%	97.1
Mount Clemens Public Library	953,768	-	953,768	1,198,287	79.6%	98.1
Mulliken District Library	38,439	-	38,439	46,223	83.2%	96.1
Munising School Public Library	-	-	-	64,947	0.0%	93.3
Muskegon County Library	-	523,631	523,631	1,097,936	47.7%	87.4
Negaunee Public Library	-	72,204	72,204	96,366	74.9%	93.2
New Buffalo Public Library	124,231	-	124,231	195,898	63.4%	96.9

Newaygo Carnegie Library	13,584	23,966	37,550	92,656	40.5%	92.1
Niles Community Library	535,463	-	535,463	848,500	63.1%	97.1
North Adams Community Memorial Library	-	2,000	2,000	17,027	11.7%	89.8
North Branch Township Library	124,783	-	124,783	205,752	60.6%	95.7
Northeast Ottawa District Library	138,429	29,149	167,578	290,984	57.6%	96.4
Northfield Township Area Library	260,679	-	260,679	350,280	74.4%	100.0
Northville District Library	853,203	-	853,203	900,807	94.7%	97.6
Nottawa Township Library	92,610	-	92,610	144,708	64.0%	95.6
Novi Public Library	1,339,472	13,505	1,352,977	1,591,570	85.0%	98.0
Oak Park Public Library	-	656,777	656,777	749,833	87.6%	96.1
Oakland County Research Library	-	677,712	677,712	682,602	99.3%	99.3
Ogemaw District Library	-	-	-	193,025	0.0%	95.1
Ontonagon Township Library	-	20,000	20,000	78,913	25.3%	79.0
Orion Township Public Library	1,384,709	-	1,384,709	1,525,735	90.8%	98.6
Osceola Township School Public Library	-	26,637	26,637	31,983	83.3%	94.7
Oscoda County Library	-	-	-	88,747	0.0%	91.9
Otsego County Library	259,872	-	259,872	504,017	51.6%	94.6
Otsego District Public Library	240,167	-	240,167	344,777	69.7%	96.6
Ovid Public Library	69,114	-	69,114	115,377	59.9%	95.4
Oxford Public Library	478,923	-	478,923	546,407	87.6%	98.0
Parchment Community Library	155,970	-	155,970	212,260	73.5%	95.7
Pathfinder Community Library	28,000	-	28,000	76,909	36.4%	93.1
Paw Paw District Library	255,588	-	255,588	379,280	67.4%	97.3
Peninsula Community Library	76,390	-	76,390	106,439	71.8%	96.1
Pentwater Township Library	64,441	-	64,441	94,407	68.3%	98.2
Peter White Public Library	693,892	-	693,892	959,738	72.3%	96.4
Petoskey Public Library	-	166,658	166,658	330,910	50.4%	95.2
Pigeon District Library	-	22,587	22,587	128,109	17.6%	93.6
Pinckney Community Public Library	46,603	-	46,603	112,014	41.6%	94.0
Pittsford Public Library	-	2,100	2,100	29,076	7.2%	86.5
Plymouth District Library	1,938,100	-	1,938,100	2,288,505	84.7%	98.6
Pontiac Public Library	-	298,835	298,835	471,911	63.3%	81.4
Port Austin Township Library	11,095	-	11,095	49,974	22.2%	100.0
Portage District Library	1,365,615	-	1,365,615	1,652,985	82.6%	97.6
Portage Lake District Library	246,061	-	246,061	315,987	77.9%	95.2
Portland District Library	-	14,000	14,000	134,302	10.4%	91.7
Presque Isle District Library	215,587	-	215,587	357,904	60.2%	82.6
Public Libraries of Saginaw	3,021,651	729,734	3,751,385	5,608,727	66.9%	96.7
Putnam District Library	27,443	-	27,443	56,929	48.2%	89.4
Rauchholz Memorial Library	49,841	1,500	51,341	99,686	51.5%	94.1
Rawson Memorial Library	83,942	300	84,242	194,185	43.4%	95.3
Reading Community Library	3,791	3,791	7,582	29,762	25.5%	86.9
Redford Township District Library	965,341	-	965,341	1,354,915	71.2%	92.2
Reed City Public Library	-	5,000	5,000	101,450	4.9%	100.0
Republic-Michigamme Public Library	-	12,926	12,926	24,288	53.2%	93.6
Reynolds Township Library	73,400	-	73,400	118,023	62.2%	92.0
Richfield Township Public Library	-	8,000	8,000	54,289	14.7%	94.1
Richland Community Library	148,864	-	148,864	177,450	83.9%	96.8
Richland Township Library	23,450	-	23,450	49,188	47.7%	91.3
Richmond Township Library	-	-	-	18,603	0.0%	91.2

Riverview Public Library	-	266,042	266,042	312,044	85.3%	95.7
Rochester Hills Public Library	2,054,236	-	2,054,236	2,711,828	75.8%	97.4
Romeo District Library	1,028,719	-	1,028,719	1,201,189	85.6%	98.5
Roseville Public Library	-	832,057	832,057	948,205	87.8%	94.8
Royal Oak Public Library	-	916,548	916,548	1,116,746	82.1%	94.4
Royal Oak Township Library	-	10,215	10,215	16,054	63.6%	100.0
Rudyard School-Public Library	-	-	-	83,691	0.0%	90.2
Ruth Hughes Memorial District Library	82,856	-	82,856	187,536	44.2%	95.5
Salem Township Library	24,757	29,311	54,068	88,142	61.3%	92.5
Salem-South Lyon District Library	401,660	-	401,660	695,858	57.7%	98.6
Saline District Library	571,311	-	571,311	693,738	82.4%	97.9
Sandusky District Library	25,218	42,008	67,226	127,267	52.8%	94.8
Sanilac District Library	37,378	-	37,378	82,756	45.2%	95.5
Saranac Public Library	15,409	929	16,338	110,776	14.7%	92.6
Saugatuck-Douglas District Library	54,480	1,427	55,907	122,122	45.8%	94.4
Schoolcraft Community Library	43,185	-	43,185	77,675	55.6%	94.3
Seville Township Public Library	-	-	-	57,295	0.0%	95.5
Shelby Area District Library	51,074	-	51,074	169,600	30.1%	94.7
Shelby Township Library	-	539,250	539,250	687,984	78.4%	91.2
Shiawassee County Library	-	26,927	26,927	116,056	23.2%	81.9
Shiawassee District Library	473,724	-	473,724	612,787	77.3%	95.4
Sleeper Public Library	7,284	-	7,284	74,243	9.8%	95.0
Sodus Township Library	10,247	3,500	13,747	33,726	40.8%	94.3
Somerset Township Library	-	24,384	24,384	36,650	66.5%	100.0
South Haven Memorial Library	-	95,737	95,737	184,908	51.8%	95.0
Southfield Public Library	2,507,496	-	2,507,496	2,978,748	84.2%	97.4
Sparta Carnegie Township Library	-	82,000	82,000	123,919	66.2%	93.6
Spies Public Library	-	163,363	163,363	258,174	63.3%	98.0
Springfield Township Library	136,800	-	136,800	165,690	82.6%	93.9
St. Charles District Library	95,785	-	95,785	154,264	62.1%	93.8
St. Clair County Library	1,802,716	998,460	2,801,176	3,722,071	75.3%	95.6
St. Clair Shores Public Library	-	1,220,733	1,220,733	1,389,725	87.8%	95.3
St. Ignace Public Library	-	14,000	14,000	102,982	13.6%	96.0
Stair Public Library	-	30,000	30,000	52,882	56.7%	94.3
Sterling Heights Public Library	-	1,557,787	1,557,787	1,945,950	80.1%	90.1
Sturgis Public Library	-	425,000	425,000	542,911	78.3%	97.2
Sunfield District Library	-	8,000	8,000	25,190	31.8%	91.4
Surrey Township Public Library	16,575	-	16,575	99,859	16.6%	91.9
Suttons Bay Area District Library	-	51,753	51,753	76,738	67.4%	94.8
Tahquamenon Area Public Library	-	-	-	72,442	0.0%	91.2
Tamarack Public Library	57,249	-	57,249	116,817	49.0%	93.4
Taymouth Township Library	-	19,235	19,235	46,353	41.5%	90.7
Tecumseh Public Library	-	281,664	281,664	386,416	72.9%	96.2
Tekonsha Township Public Library	-	3,900	3,900	12,657	30.8%	85.7
Theodore A. Cutler Memorial Library	-	16,700	16,700	168,951	9.9%	95.8
Thomas E. Fleschner Memorial Library	-	27,000	27,000	58,429	46.2%	93.0
Thomas Township Library	217,586	-	217,586	317,930	68.4%	96.8
Thompson Home Public Library	-	-	-	194,401	0.0%	100.0
Thornapple Kellogg School & Comm Library	-	78,578	78,578	125,625	62.5%	91.6
Three Oaks Township Library	46,000	-	46,000	134,687	34.2%	95.8

Three Rivers Public Library	209,898	-	209,898	305,928	68.6%	93.7
Topinabee Public Library	8,101	-	8,101	32,216	25.1%	93.9
Traverse Area District Library	1,648,620	88,362	1,736,982	2,269,455	76.5%	95.0
Troy Public Library	-	3,006,678	3,006,678	3,213,724	93.6%	97.8
Unity District Library	-	19,000	19,000	53,126	35.8%	94.2
Utica Public Library	107,058	-	107,058	129,195	82.9%	96.2
Van Buren District Library	639,466	-	639,466	995,734	64.2%	96.4
Vermontville Township Library	11,174	-	11,174	33,559	33.3%	90.3
Vernon District Public Library	29,515	-	29,515	49,425	59.7%	90.2
Vicksburg District Library	97,515	-	97,515	159,832	61.0%	95.9
Wakefield Public Library	-	24,197	24,197	45,270	53.5%	94.2
Waldron District Library	-	6,500	6,500	20,592	31.6%	88.3
Walkerville Public/School Library	-	14,026	14,026	35,810	39.2%	77.5
Walled Lake City Library	110,184	-	110,184	357,421	30.8%	94.6
Walton Erickson Public Library	-	3,525	3,525	66,298	5.3%	89.9
Warner Baird District Library	202,092	-	202,092	325,100	62.2%	92.5
Warren Public Library	1,747,922	125,000	1,872,922	2,319,159	80.8%	92.8
Washtenaw County Library	-	322,427	322,427	371,966	86.7%	88.6
Waterford Township Public Library	1,431,984	-	1,431,984	1,777,425	80.6%	96.5
Watertown Township Library	-	-	-	19,815	0.0%	89.9
Watervliet District Library	39,832	-	39,832	103,158	38.6%	94.9
Wayne County Public Library	765,476	2,442,397	3,207,873	4,269,006	75.1%	90.4
Wayne Public Library	-	385,748	385,748	622,175	62.0%	96.4
West Bloomfield Township Public Library	3,598,856	-	3,598,856	4,320,346	83.3%	98.4
West Branch Public Library	-	10,967	10,967	202,517	5.4%	95.9
West Iron District Library	126,728	-	126,728	165,213	76.7%	83.3
Wheatland Township Library	9,000	-	9,000	29,330	30.7%	91.5
White Cloud Community Library	-	21,135	21,135	108,558	19.5%	93.5
White Lake Community Library	47,060	-	47,060	76,325	61.7%	92.5
White Lake Township Library	135,072	-	135,072	192,147	70.3%	89.2
White Pigeon Township Library	91,728	-	91,728	123,003	74.6%	95.4
White Pine Library	74,881	-	74,881	141,245	53.0%	93.7
Whitefish Township Community Library	15,833	-	15,833	29,982	52.8%	98.4
Willard Library	2,628,617	-	2,628,617	3,736,872	70.3%	97.4
William H. Aitkin Memorial Library	21,414	27,600	49,014	110,323	44.4%	94.7
William P. Faust Public Library of Westland	1,284,505	-	1,284,505	2,813,887	45.6%	96.4
Wixom Public Library	-	294,790	294,790	323,793	91.0%	97.5
Wolverine Community Library	24,762	150	24,912	53,656	46.4%	96.7
Ypsilanti District Library	950,063	-	950,063	1,217,094	78.1%	92.7
FY 1999 totals:	$126,643,980	$ 41,521,121	$ 168,165,101	$ 239,862,390		
FY 1999 averages:	$332,399	$108,979	$4[illegible],378	$629,560	70.1%	93.4%
3 year totals:	$ 338,735,821	$ 132,085,629	$ 470,821,450	$ 672,927,840		
3 year averages:	$296,098	$115,459	$411,557	$588,224	70.0%	92.3%

This table and information were provided by the Library of Michigan (LM)

Appendix V

Penal Fine Reliance (1999)

Legal Name	Total Local Operating Income	Total Penal Fine Revenue	Total Operating Income	Penal Fine % of Total Operating Income
Clinton-Macomb Public Library	96,476	96,476	96,476	100.0
Falmouth Area Library	4,673	4,673	4,673	100.0
Gerrish-Higgins School District Public Library	134,305	134,305	134,305	100.0
Munising School Public Library	60,626	59,163	64,947	91.1
Ogemaw District Library	183,511	175,310	193,025	90.8
McMillan Township Library	22,434	22,352	25,269	88.5
Jacquelin E. Opperman Memorial Library	33,089	32,424	36,669	88.4
Watertown Township Library	17,819	16,848	19,815	85.0
Leroy Community Library	36,969	33,584	39,535	85.0
Dowling Public Library	12,912	12,274	14,471	84.8
Thompson Home Public Library	194,401	163,869	194,401	84.3
Iosco-Arenac District Library	448,441	403,191	489,790	82.3
Kalkaska County Library	133,079	121,697	150,132	81.1
Athens Community Library	10,690	8,623	10,690	80.7
Betsie Valley District Library	26,434	21,073	26,434	79.7
West Branch Public Library	194,189	160,100	202,517	79.1
Crawford County Library	151,206	123,099	159,293	77.3
St. Ignace Public Library	98,866	79,121	102,982	76.8
Rudyard School-Public Library	75,472	64,147	83,691	76.7
Oscoda County Library	81,560	67,611	88,747	76.2
Galien Township Public Library	30,371	25,133	33,269	75.5
Richfield Township Public Library	51,093	40,655	54,289	74.9
Howe Memorial Library	83,722	66,634	89,127	74.8
Seville Township Public Library	54,713	42,770	57,295	74.7
Luther Area Public Library	12,522	9,967	13,946	71.5
North Adams Community Memorial Library	15,294	12,024	17,027	70.6
Reed City Public Library	101,450	70,218	101,450	69.2
Tahquamenon Area Public Library	66,034	49,947	72,442	69.0
Alanson Area Public Library	35,461	25,820	37,667	68.6
Maple Rapids Public Library	49,146	35,252	53,304	66.1
DeWitt Public Library	203,440	149,214	228,615	65.3
Columbia Township Library	29,258	20,427	31,679	64.5
Mancelona Township Library	36,033	23,498	37,015	63.5
Evart Public Library	117,707	78,506	123,941	63.3
Fennville District Library	109,559	76,003	120,604	63.0
Theodore A. Cutler Memorial Library	161,782	104,702	168,951	62.0
M. Alice Chapin Memorial Library	59,821	38,745	63,104	61.4
Walton Erickson Public Library	59,623	40,702	66,298	61.4
Gladstone Area School & Public Library	71,536	46,486	75,856	61.3
Lyons Village Library	32,821	23,781	38,945	61.1
Fairgrove Township Library	55,314	36,543	60,017	60.9
Portland District Library	123,171	81,760	134,302	60.9
Camden Township Library	19,047	12,790	21,157	60.5
Coloma Public Library	146,027	94,479	157,226	60.1
George W. Spindler Memorial Library	8,942	5,366	8,942	60.0
Benzonia Public Library	34,854	22,591	37,805	59.8

Brown City Public Library	40,258	26,576	44,688	59.5
Elberta Public Library	12,073	7,353	12,831	57.3
Elsie Public Library	53,225	31,853	55,647	57.2
Chase Township Public Library	14,331	8,724	15,285	57.1
Beulah Public Library	29,697	17,965	32,019	56.1
Hall-Fowler Memorial Library	235,074	139,697	254,335	54.9
Wheatland Township Library	26,830	16,000	29,330	54.6
Millington Township Library	87,331	58,327	107,899	54.1
Tekonsha Township Public Library	10,852	6,751	12,657	53.3
Hesperia Public Library	59,958	34,538	65,105	53.1
Alma Public Library	366,416	200,262	377,700	53.0
Surrey Township Public Library	91,797	52,736	99,859	52.8
Saranac Public Library	102,548	58,076	110,776	52.4
Mayville District Public Library	64,441	42,830	81,904	52.3
Elk Township Library	35,042	19,457	38,314	50.8
Cadillac-Wexford County Public Library	701,917	367,082	732,389	50.1
Sodus Township Library	31,792	16,774	33,726	49.7
Reading Community Library	25,864	14,682	29,762	49.3
Unity District Library	50,039	26,205	53,126	49.3
Grant Public Library	55,229	29,392	60,430	48.6
Georgetown Township Public Library	399,591	212,073	436,758	48.6
Shelby Area District Library	160,685	82,042	169,600	48.4
Pittsford Public Library	25,138	13,933	29,076	47.9
Port Austin Township Library	49,974	23,855	49,974	47.7
Bayliss Public Library	544,403	268,636	571,533	47.0
Manistique School & Public Library	101,788	51,040	109,468	46.6
Topinabee Public Library	30,258	15,012	32,216	46.6
Menominee County Library	182,574	89,745	192,978	46.5
Harrison Community Library	118,408	59,513	128,131	46.5
Pathfinder Community Library	71,582	35,469	76,909	46.1
Buchanan Public Library	154,700	75,421	163,568	46.1
Hopkins Public Library	62,717	30,721	66,856	46.0
Burlington Township Library	11,612	6,079	13,272	45.8
Pinckney Community Public Library	105,280	51,294	112,014	45.8
Carp Lake Township Library	18,353	8,956	19,566	45.8
DeTour Area School and Public Library	30,909	14,695	32,773	44.8
Ontonagon Township Library	62,302	35,201	78,913	44.6
Pigeon District Library	119,918	56,935	128,109	44.4
Taymouth Township Library	42,032	20,590	46,353	44.4
Waldron District Library	18,179	9,085	20,592	44.1
Watervliet District Library	97,896	44,750	103,158	43.4
Chippewa River District Library	825,776	355,070	877,422	40.5
Indian River Area Library	92,941	44,397	110,062	40.3
Big Rapids Community Library	273,563	116,869	294,009	39.8
Gladwin County Library	435,521	180,765	455,589	39.7
Jonesville District Library	40,235	17,711	45,134	39.2
Wolverine Community Library	51,903	20,965	53,656	39.1
Freeport District Library	37,444	17,045	43,678	39.0
L'Anse Area School-Public Library	83,246	35,721	91,573	39.0
Hartford Public Library	88,915	36,921	94,699	39.0

Thomas E. Fleschner Memorial Library	54,360	22,490	58,429	38.5
Galesburg Memorial Library	46,091	18,394	47,870	38.4
Walkerville Public/School Library	27,736	13,710	35,810	38.3
Houghton Lake Public Library	351,665	137,681	363,048	37.9
Montmorency County Public Libraries	136,953	54,968	145,208	37.9
Shiawassee County Library	95,003	43,646	116,056	37.6
Bullard Sanford Memorial Library	202,175	79,184	210,980	37.5
Eau Claire District Library	160,394	62,677	167,606	37.4
Carson City Public Library	168,210	66,175	177,456	37.3
Lenawee County Library	455,859	184,512	499,575	36.9
Hart Area Public Library	140,192	58,461	158,333	36.9
Cheboygan Area Public Library	388,431	145,359	394,507	36.9
Sunfield District Library	23,025	9,269	25,190	36.8
Alvah N. Belding Memorial Library	220,384	84,674	230,955	36.7
Barryton Public Library	44,428	17,257	47,074	36.7
Bellevue Township Library	20,964	9,267	25,371	36.5
Royal Oak Township Library	16,054	5,839	16,054	36.4
Missaukee District Library	167,261	63,655	177,390	35.9
Three Oaks Township Library	129,096	47,658	134,687	35.4
Newaygo Carnegie Library	85,375	32,742	92,656	35.3
Marlette District Library	84,400	31,503	89,575	35.2
Benton Harbor Public Library	682,636	249,360	711,955	35.0
Bad Axe Public Library	164,747	60,421	173,439	34.8
Bessemer Public Library	54,809	19,639	56,690	34.6
Sleeper Public Library	70,566	25,472	74,243	34.3
Berrien Springs Community Library	223,992	79,760	233,187	34.2
Tamarack Public Library	109,088	39,821	116,817	34.1
Ironwood Carnegie Library	123,524	44,678	132,720	33.7
Somerset Township Library	36,650	12,266	36,650	33.5
Vermontville Township Library	30,295	11,232	33,559	33.5
Manistee County Library	646,535	222,950	669,715	33.3
Briggs Public Library	336,618	116,720	351,753	33.2
White Pine Library	132,378	46,751	141,245	33.1
Wakefield Public Library	42,624	14,920	45,270	33.0
Leighton Township Library	62,360	20,487	62,360	32.9
Dorr Township Library	97,346	34,870	106,256	32.8
J.C. Wheeler Public Library	62,557	21,335	65,537	32.6
Dowagiac Public Library	191,338	66,399	204,419	32.5
Lapeer County Library	747,374	262,005	813,039	32.2
Petoskey Public Library	314,899	106,026	330,910	32.0
Crooked Tree District Library	47,800	16,151	50,816	31.8
Allendale Township Library	124,900	41,952	132,252	31.7
Allegan Public Library	301,893	100,210	316,048	31.7
Deckerville Public Library	76,610	26,663	84,638	31.5
Sandusky District Library	120,709	39,845	127,267	31.3
Escanaba Public Library	372,892	123,557	400,475	30.9
Burr Oak Township Library	21,949	7,488	24,330	30.8
Rawson Memorial Library	185,081	59,765	194,185	30.8
Chesaning Public Library	145,788	48,054	156,502	30.7
Otsego County Library	476,824	154,808	504,017	30.7

Richland Township Library	44,892	14,993	49,188	30.5
Lincoln Township Public Library	507,332	158,154	525,177	30.1
South Haven Memorial Library	175,598	55,559	184,908	30.1
Forsyth Township Public Library	55,658	19,188	63,895	30.0
Ruth Hughes Memorial District Library	179,142	56,242	187,536	30.0
Putnam District Library	50,914	17,023	56,929	29.9
Branch District Library System	627,301	196,667	666,632	29.5
White Cloud Community Library	101,536	31,692	108,558	29.2
Merrill District Library	54,152	16,521	57,619	28.7
Dorothy Hull Library, Windsor Township	65,323	20,375	71,244	28.6
Vernon District Public Library	44,570	14,079	49,425	28.5
Maud Preston Palenske Memorial Library	503,735	152,932	537,316	28.5
Lake Odessa Community Library	112,820	32,682	117,002	27.9
Delton District Library	102,674	31,876	114,199	27.9
Moore Public Library	70,148	21,521	77,288	27.9
Cedar Springs Public Library	67,101	18,581	67,101	27.7
New Buffalo Public Library	189,854	53,570	195,898	27.4
Lawrence Memorial District Library	12,230	3,919	14,351	27.3
Monroe County Library System	3,339,055	958,961	3,520,824	27.2
Homer Public Library	42,819	12,579	46,261	27.2
Garfield Memorial Library	105,830	30,510	112,411	27.1
Eaton Rapids Public Library	98,115	33,796	126,545	26.7
Rauchholz Memorial Library	93,773	26,522	99,686	26.6
Laingsburg Public Library	59,739	16,845	63,788	26.4
William H. Aitkin Memorial Library	104,421	29,047	110,323	26.3
Edna C. Bentley Memorial Library	55,961	16,993	64,835	26.2
Ovid Public Library	110,058	30,230	115,377	26.2
Saugatuck-Douglas District Library	115,243	31,903	122,122	26.1
Stair Public Library	49,861	13,596	52,882	25.7
Spies Public Library	253,119	66,333	258,174	25.7
Sanilac District Library	79,035	21,231	82,756	25.7
Home Township Library	74,121	20,025	78,111	25.6
Bridgeport Public Library	235,434	64,726	254,526	25.4
McBain Community Library	134,635	33,875	137,791	24.6
Henika District Library	113,188	29,602	121,429	24.4
North Branch Township Library	196,846	49,978	205,752	24.3
Mackinaw Area Public Library	117,027	29,362	120,967	24.3
Elk Rapids District Library	92,297	22,225	92,297	24.1
Mendon Township Library	54,282	14,089	58,761	24.0
Marcellus Township-Wood Memorial Library	48,306	17,157	72,114	23.8
Thornapple Kellogg School and Community Library	115,132	29,604	125,625	23.6
Caro Area District Library	264,651	64,448	274,535	23.5
Charlotte Community Library	227,762	61,845	265,484	23.3
Cass District Library	663,904	161,432	695,630	23.2
Suttons Bay Area District Library	72,726	17,731	76,738	23.1
Colon Township Library	45,713	10,855	47,402	22.9
Salem Township Library	81,557	20,174	88,142	22.9
Corunna Public Library	55,302	16,142	70,843	22.8
Reynolds Township Library	108,621	26,872	118,023	22.8
Muskegon County Library	959,135	249,254	1,097,936	22.7

Alpena County Library	633,760	150,429	668,459	22.5
Fowlerville District Library	164,853	39,324	174,889	22.5
Van Buren District Library	960,287	221,119	995,734	22.2
Niles Community Library	823,499	187,156	848,500	22.1
Warner Baird District Library	300,805	71,489	325,100	22.0
Leland Township Public Library	84,207	19,115	86,960	22.0
White Lake Community Library	70,638	16,368	76,325	21.5
Gary Byker Memorial Library of Hudsonville	182,032	40,530	189,434	21.4
Mitchell Public Library	193,544	45,614	213,762	21.3
St. Charles District Library	144,648	32,735	154,264	21.2
Charles A. Ransom District Library	284,151	61,619	296,054	20.8
Presque Isle District Library	295,791	73,606	357,904	20.6
Sparta Carnegie Township Library	116,008	25,122	123,919	20.3
Northeast Ottawa District Library	280,368	58,133	290,984	20.0
Otsego District Public Library	332,939	67,937	344,777	19.7
Ishpeming Carnegie Public Library	147,066	31,465	160,254	19.6
Howard Miller Library	296,436	59,979	307,390	19.5
Mason County District Library	578,713	114,884	602,088	19.1
Coleman Area Library	70,152	13,663	74,080	18.4
Capital Area District Library	1,852,263	359,449	1,973,838	18.2
Nottawa Township Library	138,398	25,617	144,708	17.7
Pontiac Public Library	383,970	82,978	471,911	17.6
Grand Ledge Public Library	224,456	41,385	236,011	17.5
Paw Paw District Library	368,874	66,424	379,280	17.5
Loutit Library	742,238	133,805	766,674	17.5
Tecumseh Public Library	371,799	65,813	386,416	17.0
Morton Township Public Library	128,150	22,432	132,008	17.0
Bridgman Public Library	176,686	37,585	222,545	16.9
St. Clair County Library	3,558,674	622,889	3,722,071	16.7
Adrian Public Library	555,128	95,555	572,880	16.7
Central Lake Township Library	85,615	14,667	88,225	16.6
Hancock School Public Library	56,204	11,021	66,914	16.5
Flat River Community Library	428,402	72,562	442,871	16.4
Pentwater Township Library	92,734	15,350	94,407	16.3
Hamburg Township Library	291,959	49,405	304,454	16.2
Negaunee Public Library	89,850	15,545	96,366	16.1
James E. Wickson Memorial Library	180,651	29,719	186,888	15.9
Litchfield District Library	45,738	7,534	47,867	15.7
Alcona County Library	263,275	42,000	267,925	15.7
Almont District Library	163,791	26,258	168,891	15.6
Jordan Valley District Library	210,147	33,323	216,334	15.4
Harbor Beach Area District Library	270,360	42,353	276,530	15.3
Marshall District Library	429,765	68,169	448,134	15.2
Kingsley Public Library	81,412	12,504	84,597	14.8
Republic-Michigamme Public Library	22,725	3,580	24,288	14.7
Curtis Township Library	23,466	4,391	29,940	14.7
Peninsula Community Library	102,294	15,616	106,439	14.7
Hudson Public Library	131,258	19,823	136,472	14.5
Thomas Township Library	307,655	46,084	317,930	14.5
Mackinac Island Public Library	57,267	8,255	57,358	14.4

Bay County Library System	2,495,963	370,905	2,598,145	14.3
Constantine Township Library	97,801	14,455	102,448	14.1
Boyne District Library	218,540	31,002	224,235	13.8
White Lake Township Library	171,363	26,452	192,147	13.8
Jackson District Library	2,907,809	429,334	3,134,342	13.7
Charlevoix Public Library	271,072	38,085	278,413	13.7
Interlochen Public Library	96,645	13,231	100,015	13.2
Wayne County Public Library	3,860,413	554,397	4,269,006	13.0
Mulliken District Library	44,441	6,002	46,223	13.0
Whitefish Township Community Library	29,489	3,892	29,982	13.0
Hamtramck Public Library	155,574	20,130	155,574	12.9
Richmond Township Library	16,961	2,394	18,603	12.9
Dickinson County Library	721,934	95,457	750,925	12.7
Clinton Township Public Library	103,294	15,630	123,500	12.7
White Pigeon Township Library	117,355	15,170	123,003	12.3
Schoolcraft Community Library	73,245	9,541	77,675	12.3
Albion Public Library	358,010	45,149	370,347	12.2
McGregor Public Library	197,900	26,075	216,451	12.1
Kent District Library	7,259,087	900,948	7,572,028	11.9
Brighton District Library	629,089	77,596	654,090	11.9
Garden City Public Library	274,980	34,894	299,182	11.7
Herrick District Library	3,949,915	470,118	4,030,219	11.7
Traverse Area District Library	2,156,983	263,771	2,269,455	11.6
Sturgis Public Library	527,505	62,541	542,911	11.5
Howell Carnegie District Library	996,154	114,314	1,030,403	11.1
East Lansing Public Library	1,152,413	131,885	1,200,814	11.0
Benzie Shores District Library	125,780	13,835	126,721	10.9
Augusta-Ross Township District Library	83,972	9,600	88,334	10.9
Calumet Public-School Library	136,280	15,739	144,906	10.9
Fremont Area District Library	507,985	55,531	520,058	10.7
Lawton Public Library	176,467	18,888	180,025	10.5
Public Libraries of Saginaw	5,421,467	579,340	5,608,727	10.3
Shiawassee District Library	584,834	62,645	612,787	10.2
Dryden Township Library	175,851	18,233	179,097	10.2
Fife Lake Public Library	46,874	4,857	48,106	10.1
Crystal Falls District Community Library	129,176	13,291	133,243	10.0
Lois Wagner Memorial Library	185,748	18,479	185,748	10.0
Osceola Township School Public Library	30,283	3,146	31,983	9.8
Vicksburg District Library	153,236	15,283	159,832	9.6
Leelanau Township Library	73,634	7,177	75,220	9.5
Willard Library	3,638,529	347,177	3,736,872	9.3
Lyon Township Public Library	103,454	10,298	111,721	9.2
Salem-South Lyon District Library	686,185	63,693	695,858	9.2
Holly Township Library	205,362	20,187	224,201	9.0
Lake Linden-Hubbell Public School Library	63,467	5,967	66,839	8.9
Genesee District Library	3,620,582	325,128	3,753,310	8.7
Peter White Public Library	924,851	79,351	959,738	8.3
Cromaine District Library	929,451	78,442	949,290	8.3
Ferndale Public Library	379,873	33,262	403,830	8.2
Parchment Community Library	203,066	16,984	212,260	8.0

Portage Lake District Library	300,781	25,279	315,987	8.0
Grace A. Dow Memorial Library	2,716,144	221,041	2,782,392	7.9
Hackley Public Library	1,108,777	90,428	1,146,852	7.9
Helena Township Public Library	67,504	5,231	68,453	7.6
Bellaire Public Library	212,267	16,073	215,147	7.5
Glen Lake Community Library	147,979	11,130	149,214	7.5
Hastings Public Library	296,083	22,741	304,750	7.5
Madison Heights Public Library	476,146	37,555	506,896	7.4
Grand Rapids Public Library	7,529,696	562,466	7,769,119	7.2
Springfield Township Library	155,513	11,575	165,690	7.0
Royal Oak Public Library	1,054,274	76,299	1,116,746	6.8
Shelby Township Library	627,506	45,552	687,984	6.6
Warren Public Library	2,151,808	147,865	2,319,159	6.4
Manchester Township Library	75,386	5,100	81,639	6.3
Sterling Heights Public Library	1,753,113	120,250	1,945,950	6.2
Dexter District Library	270,515	19,184	320,625	6.0
Milan Public Library	257,587	17,614	305,013	5.8
Hazel Park Memorial Library	396,064	23,389	415,214	5.6
Bacon Memorial District Library	677,522	40,093	730,293	5.5
Walled Lake City Library	338,210	19,210	357,421	5.4
Three Rivers Public Library	286,722	15,979	305,928	5.2
Eastpointe Memorial Library	611,233	33,033	644,931	5.1
Roseville Public Library	899,102	48,133	948,205	5.1
Richland Community Library	171,820	8,996	177,450	5.1
Southfield Public Library	2,902,387	151,155	2,978,748	5.1
Portage District Library	1,613,785	82,786	1,652,985	5.0
St. Clair Shores Public Library	1,324,677	69,518	1,389,725	5.0
Blair Memorial Library	312,232	16,184	325,483	5.0
Ypsilanti District Library	1,128,386	60,063	1,217,094	4.9
Riverview Public Library	298,774	15,000	312,044	4.8
Oak Park Public Library	720,733	35,540	749,833	4.7
Harper Woods Public Library	331,437	16,329	345,095	4.7
MacDonald Public Library	249,452	12,114	256,438	4.7
Comstock Township Library	504,321	24,107	515,159	4.7
Brandon Township Public Library	306,223	14,057	317,268	4.4
Highland Township Public Library	456,256	20,928	472,699	4.4
Redford Township District Library	1,249,767	59,593	1,354,915	4.4
Waterford Township Public Library	1,716,000	78,177	1,777,425	4.4
Addison Township Public Library	124,056	5,609	128,656	4.4
Independence Township Library	733,248	32,923	755,906	4.4
Chesterfield Township Library	544,555	24,253	568,297	4.3
Detroit Public Library	19,371,426	1,126,369	26,450,290	4.3
Flint Public Library	3,880,408	158,139	4,053,731	3.9
William P. Faust Public Library of Westland	2,713,528	109,795	2,813,887	3.9
Center Line Public Library	210,113	8,450	218,734	3.9
Northfield Township Area Library	350,280	13,217	350,280	3.8
Beaver Island District Library	54,607	2,060	55,213	3.7
Utica Public Library	124,342	4,757	129,195	3.7
Berkley Public Library	532,016	19,783	548,214	3.6
Fraser Public Library	357,643	13,013	370,918	3.5

Wayne Public Library	599,925	21,804	622,175	3.5
Milford Township Library	476,421	17,779	521,447	3.4
Chelsea District Library	277,312	9,476	288,460	3.3
Rochester Hills Public Library	2,641,143	88,962	2,711,828	3.3
Auburn Hills Public Library	593,409	19,919	609,401	3.3
Armada Free Public Library	148,997	4,994	153,992	3.2
Franklin Public Library	94,916	3,063	97,424	3.1
Farmington Community Library	3,074,042	98,898	3,155,018	3.1
Wixom Public Library	315,627	9,973	323,793	3.1
Huntington Woods Public Library	339,997	10,724	348,778	3.1
Troy Public Library	3,144,113	90,645	3,213,724	3.0
Flat Rock Public Library	309,574	9,447	316,536	3.0
Kalamazoo Public Library	8,057,738	241,020	8,171,859	3.0
Northville District Library	879,233	26,030	900.807	2.9
Ann Arbor District Library	7,862,183	230,242	8,015,085	2.9
Benton Township-Potterville District Library	41,644	1,277	44,723	2.9
Dearborn Public Library	4,008,006	115,707	4,093,281	2.8
Livonia Public Library	3,858,778	110,503	3,973,801	2.8
Lenox Township Library	179,294	5,056	184,451	2.7
Grosse Pointe Public Library	2,648,708	70,822	2,700,904	2.6
Oxford Public Library	535,471	13,919	546,407	2.6
Novi Public Library	1,559,911	38,666	1,591,570	2.4
Canton Public Library	2,665,149	62,499	2,721,177	2.3
Baldwin Public Library	2,005,840	41,913	2,036,028	2.1
Mount Clemens Public Library	1,175,426	24,432	1,198,287	2.0
West Bloomfield Township Public Library	4,250,929	87,245	4,320,346	2.0
Orion Township Public Library	1,503,669	28,084	1,525,735	1.8
Bloomfield Township Public Library	3,047,895	54,545	3,091,895	1.8
Saline District Library	679,351	12,230	693,738	1.8
Plymouth District Library	2,257,010	36,387	2,288,505	1.6
Romeo District Library	1,182,948	17,881	1,201,189	1.5
Macomb County Library	2,206,460	26,233	2,286,028	1.2
Washtenaw County Library	329,697	725	371,966	0.2
Oakland County Research Library	677,736	24	682,602	-
West Iron District Library	137,555	0	165,213	-
FY 1999 totals:	**$ 224,097,890**	**$ 27,093,522**	**$ 239,862,390**	
FY 1999 averages:	**$ 588,183**	**$ 71,112**	**$ 629,560**	11.3%

Appendix VI

Michigan Cooperative Library Survey

Thank you for participating in this survey. Please confirm that you have received this document by e-mailing Suzanne Dees at <sdees@uproc.lib.mi.us>. Then, complete this questionnaire electronically (in Word format) and return it as an e-mail attachment to the same address by Monday, 15 May 2000.

This survey is being conducted by the Cooperative Committee of a Michigan Public Library ad hoc group which is studying equitable and stable sources of public library funding in Michigan. The data for this study is being analyzed under the direction of Dr. Charles McClure of the Information Use Management and Policy Institute in the School of Information Studies at Florida State University.

Cooperative Library Identification

Name of Cooperative: ____________________
Contact Information:
Name: ____________________
Phone: ____________________ E-mail: ____________________
Mailing Address: ____________________

Cooperative Funding

1. What is your cooperative's total funding income? __________
Translate this to income per capita. __________

2. Please detail the sources of this funding by percentage.
____________________% Direct State Aid
____________________% Indirect State Aid
____________________% Other

3. What is included in the "other" sources of funding in question #2? __________
____
____

4. Provide the amount/percentage of your coop's annual budget spent in the following categories:

	Dollar Amount	*Percentage (%)*		*Dollar Amount*	*Percentage (%)*
Administration	$______	______	Technology support	$______	______
Advocacy	$______	______	Grant development	$______	______
Consulting	$______	______	Interlibrary Loans	$______	______
Training	$______	______	Multi-type cooperation	$______	______
Reference	$______	______	Cataloging, processing	$______	______
Material Delivery	$______	______	Automation Services	$______	______
Group Purchases	$______	______	Coop-wide projects	$______	______
Promotion and PR (children's programs, author tours, etc.)	$______	______			
Other: ______	$______	______			

Member Libraries

5. How many public libraries are members of your cooperative? ______________________

6. Please estimate the percentage and dollar amount of the total swing aid allocated to your member libraries which is ***actually used*** to buy services from your cooperative.
Percentage ______________ Dollar amount ____________________

7. Please provide a narrative statement about how swing aid is handled within your cooperative. For example, swing aid money may be kept in an interest earning account with member libraries accessing this account to buy COOP services, or it may be given directly to the member libraries.

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8. How do member libraries spend swing aid. For example, do the member libraries spend all or most of it on coop services? Do they buy services beyond those offered by the COOP? Do the funds go into the library's general budget?

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____

9. Please comment on how you believe the use of swing aid funding has changed form the original "intention" of the law.

____

____

____

10. What do you believe is the current role of Cooperatives regarding library funding, and how do you think this role will change in the future?

A. Current: ____

____

____

B. Future: ____

____

____

11. What do you believe is the current role of ROCs regarding library funding, and how do you think this role will change in the future?

A. Current: ______________________________

____

____

B. Future: ______________________________

____

____

12. In your opinion, what are two most important recommendations you would offer to improve public library funding in the state of Michigan?

A. ______________________________

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B. ______________________________

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Appendix VII

Finance Study Committee Report

Addendum
Subcommittee Study of Public Library Cooperatives

March 1, 2001

SUBCOMMITTEE MEMBERSHIP

Rebecca Cawley, formerly Director, Northland Library Cooperative
Suzanne Dees, Director, Superiorland Library Cooperative

SUBCOMMITTEE CHARGE

The Subcommittee will provide the Public Library Funding Initiative Group with an analysis of public library Cooperative funding.

1) Provide information on Cooperative and members' income.
2) Provide information on how direct and indirect state aid authorized by PA 89 of 1977 is used within each Cooperative.
3) Provide information on 'other' sources of income that Cooperatives receive to finance their services.
4) Determine how funding is allocated for administration and for services within each Cooperative.

SUBCOMMITTEE REPORT

The 14 public library Cooperatives in Michigan are state funded by PA 89, 1977, the same legislation that authorizes state aid to public libraries. The Act is fully funded at the following annual level.

PA 89, §13	Public Library Cooperatives shall receive $.50 per capita for their served population.
PA 89, §16(4)	Public libraries that meet minimum standards and are members of a cooperative library shall receive $.50 per capita to pay for services provided by the cooperative. ***All or part of this amount shall be used to purchase these services.***
PA 89, §16(4)	A cooperative shall receive $10.00 per square mile for the area it serves if the area has less than 75 persons per square mile.

PL 89 397.564 Cooperative board to provide services to member libraries within area of cooperative library.

Section 14. The cooperative board shall provide, directly or through a written contract, services to member libraries within the library's area. The services, subject to standards approved by the state board, may include:

(a) A central pool of rotating book collection
(b) In service training
(c) Book selection aids
(d) Bibliographic services

(e) Audio-visual services
(f) Bookmobile service or other outlets to outlying areas
(g) Publicity and public relations
(h) Printing
(i) A centralized purchasing operation
(j) Centralized processing including cataloging and marking
(k) Reference Servicing)
(l) Delivery service

The attached chart, "*Library of Michigan, Michigan Public Library Cooperatives FY 2000 Population & Square Miles Report*" provides data on service areas.

I. Summary of Cooperative & Members' Income

The attached chart, "*Library of Michigan State Aid History*," is a 10-year perspective on State Aid to Cooperatives. Full funding of Public Act 89, 1977, for public libraries and cooperatives was not achieved until the 1998/99 fiscal year. Several respondents to the survey note the negative effect this delay in full funding has had on Cooperative program development and on relations between some Cooperatives and their members.

Income to Cooperatives and members is summarized in the attached chart, "*Operating Income by Cooperative Data from FY 1999 Annual Reports*." The Library of Michigan originally prepared this chart; and, the Co-op Subcommittee revised the "Coop's Per Capita" data based on survey reports. There is no correlation between population base and the Coop's income per capita ranking, which shows the significance of income "other" than State Aid in the development of Cooperative services. The value of the ranking is questionable because a few sources of 'other' income were included in some surveys and not others; i.e., Universal Service Funds distributed back to members, ISP host services income from the general public, contracts with multitypes for automation services, pass-through reimbursements for group purchases of books, equipment and supplies, and restricted income not intended for Cooperatives or Co-op services.

Regions of Cooperation have played an important role in some areas of the state. In the Upper Peninsula, the service areas of three Cooperatives are included in one ROC, the Upper Peninsula Region of Library Cooperation, Inc. Elsewhere in Michigan, the Cooperatives' and ROCs' service areas are identical. The attached charts provided by the Library of Michigan, *"History of LSCA/LSTA Awards to ROCS"* and "*History of LSCA/LSTA Awards to Cooperatives*," provide additional information on federal income that has supported public library cooperation with multitype libraries in each region.

II. Current Uses of Direct and Indirect State Aid

In May 2000, the Cooperative Subcommittee surveyed the 14 public library Cooperatives. 13 of 14 cooperatives responded. The surveys are attached to this report.[1]

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[1] The Detroit Associated Libraries did not return a survey.

Cooperative surveys show that the total income to thirteen Cooperatives is $11,126,319. 40% of the total income is from Direct State Aid and 17% from Indirect State Aid, (also referred to as swing aid or membership aid). Public libraries spend $1,748,151 of Indirect State Aid to purchase Cooperative services in 12 of the 14 Cooperatives.[2] The remaining 43% of income is from 'other' sources described below.

In 10 of the 13 Cooperatives, members spend at least one-half of their Indirect State Aid on basic Cooperative services.

- **Only in 3 of 13 Cooperatives is there minimal use of Indirect State Aid to purchase Cooperative services; and, these three Cooperatives have from 825,000 to 2,570,747 population bases.**
- **Survey respondents in 8 of 13 Cooperatives say they rely on Indirect State Aid to provide basic services.**
- **6 of the 13 Cooperatives receive 100% of Indirect State Aid.**

A seventh Cooperative reports that in the next Fiscal Year 100% of Indirect State Aid will be used to pay for basic services. In addition to these seven Cooperatives, one Cooperative receives 90% and one Cooperative 87.5% of Indirect State Aid. One more Cooperative relies on 50% of Indirect State Aid to provide basic services.

Summary	**% of Indirect State Aid Used to Purchase Co-op Services**	**# of Cooperatives**
	100%	6
	88% - 90%	2
	50% - 69%	2
	0% - 11%	3

[Note: One Cooperative receiving 0% of Indirect State Aid this Fiscal Year will receive 100% in the next FY.]

Just as Indirect State Aid is critical to meeting the basic service plans for a majority of all Cooperatives, the Density factor in Direct State Aid is critical to the 5 rural cooperatives with population densities from 12.8 to 44.8 people per square mile. ***Density payments account for $300,089 of annual State Aid.*** The Density factor in the present formula inadequately addresses the 'basic costs of doing business' across large, sparsely populated distances in rural Cooperatives. **Surveys from rural Cooperatives indicate the need to tie any increase in funding to either an**

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[2] The Cooperative serving the largest population base reports that Indirect State Aid goes to each library and that the majority of members spend an amount equal to or greater than their Indirect State Aid to purchase Co-op services. However, the exact amount is unknown. If this respondent's assumption that all Indirect State Aid is spent on Cooperative services is correct, another $1,285,374 can be added to the total above. **With this assumption, 73%, $3,033,525 of the total $4,136,642 Indirect State Aid to *thirteen* Co-ops is used to purchase Cooperative services**.

equity factor, such as density, or to a base amount of funding for each Co-op. Either option should include an inflation adjustment.

III. 'Other' Sources Of Cooperative income.

43% of the total income to all thirteen Cooperatives is from sources other than State Aid.[3] There is wide variation in the degree of dependence on State Aid.

- **From 4% to 62% of Cooperative income is from sources other than State Aid.**
- **6 of the 13 Cooperatives receive 4% to 12.5% of their income from other sources**
- **7 of the 13 receive more than 36% of their income from other sources. Of these seven Cooperatives, four receive nearly one-half or more of their total income from other sources.**[4]

Of the four Cooperatives receiving one-half their income or more from other sources, three have large population bases and one has next to the smallest population base. **The percentage of income from other sources seems to relate more to the development of contractual services, especially automated services, than to population base. The strong development of new sources of funding indicates that Cooperatives have responded to change, especially technological change, as entrepreneurs respond--by developing services that are built upon and validate economy of scale principles. This entrepreneurial spirit attracts additional funding from within and from outside the Cooperative membership.**

The following sources of 'other' income were identified in the surveys:

Workshop Fees & Continuing Education Income
Shared Automated System Contract Fees
WAN & Automation Expense Reimbursements
Associate Fees & Internet Reimbursement from Associate Members
Pass-through Reimbursements, including Member Supplies/Equipment
Contracts for Books-By-Mail service
ISP (Host Services) Income
Building Rental to ISP Host Service
Multitype Contracts
Donations
Library for the Blind
Universal Service Fund
Reserve Fund
Additional Delivery services
Acquisitions
Cataloging
Video Income
Interest
Federal Grants
Consulting

IV. Allocation of Funding for Administration and Programs

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[3] Some Cooperatives' 'other' income may not be available long-term. For example, the revenues from one Cooperative's Internet enterprise service (ISP) have helped to provide connectivity to libraries across the Cooperative region and subsidize some services to libraries. The fact that this source of revenue has lasted as long as it has is fortunate and the Cooperative will probably have to plan some other entrepreneurial service down the line to replace it if funding for Cooperatives does not increase, as this Cooperative already receives 100% of swing aid.

[4] Included in the four is one Cooperative that receives 48.1% of their income from other sources.

25% of the total income to thirteen Cooperatives is used for Administration, according to the surveys. However, many respondents included services such as Advocacy, Consulting, Promotion and PR, Grant Development and Multitype Cooperation under "Administration." One could argue that these five categories are services and not administration. However, for consistency in this report, the total of expenses reported by the thirteen Co-ops as "Administration" have been added to the total expenses itemized by some Co-ops under the five categories listed above. **The sum total of expenses for the broadest definition of "Administration" is $2,915,693, which is 26% of the total income to thirteen Cooperatives ($11,126,319).**

Cooperatives allocate funding to specific services based on local need. Each Cooperative Service Plan is different; nevertheless, there is a consistent service pattern across the thirteen Cooperatives. Excluding "Administration" and the five categories listed above, the same services emerge as one of the top three in terms of the amount of funding allocated by each Cooperative. These services and their funding allocations are as follows:

Automation/Technical Support	**(29% of total income)**
Cataloging/Interlibrary Loan/Reference	**(19% of total income)**
Materials Delivery	**(9% of total income)**

56% of income across the thirteen Cooperatives is used to organize, manage, and deliver materials located in electronic catalogs or automated systems for resource sharing.

- 9 out of 13 Cooperatives report Automation/Technical Support is one of their top three funding priorities.
- 8 out of 13 report Cataloging/ILL/Reference is one of the top three
- 5 out of 13 report Materials Delivery is one of their top three funding priorities.

SUBCOMMITTEE RECOMMENDATIONS

Attached to this report are the survey responses. It is worthwhile to read the many excellent suggestions for change. The variety of suggestions made it a challenge to summarize. However, certain themes emerged, and they are listed below. With each recommendation is given the number of respondents who expressed strong agreement.

IMPROVING FUNDING

- **Increase funding for public libraries and Cooperatives, with provision for inflation adjustment. (13)**
- **Separate public library funding from Cooperative funding. (6)**
- **Revise the Cooperative funding formula to abolish Indirect State Aid, moving away from 'library by library per capita' funding and toward funding a base level of services meeting the needs of the Cooperative as a whole. (5)**

- **Base new Cooperative funding formulas on a diversity of factors meeting the needs of varied rural/urban communities. (4) Some of the suggested factors were:**
    - **Base level of support for each Cooperative,**
    - **Population,**
    - **Low density (75 people/square mile),**
    - **Community demographics: age, educational levels, cultural and ethnic diversity, employment opportunities, employee training possibilities,**
    - **Constitutionally mandated share of income tax for Cooperatives and public libraries.**
- **Provide legislative authorization and new funding for multitype cooperation. (7) *Note: An 8th respondent indicated this concept is 'worth exploring.'* Funding will support the following activities:**
    - **Resource sharing,**
    - **Networking,**
    - **Partnering to obtain grants,**
    - **Specialized training and technical support,**
    - **Economy of scale shared services, such as automated systems.**

IMPROVING SERVICES

- **Establish basic levels of service that every public library and Cooperative must offer to achieve uniformity and equity of services throughout the state and increase funding to achieve these levels of service. (7)**
- **Seek new funding to support statewide economy-of-scale services with regional coordination, achieving uniformity and equity of services throughout the state. (8) Some examples include:**
    - **Up-to-date technology in all multitype libraries,**
    - **Broad and diverse bandwidth infrastructure connecting all multitype libraries in Michigan to the Internet,**
    - **Interactive distance learning for library staff training, technical training, and technical support,**
    - **Shared automation systems,**
    - **Regional access centers with state-of-the-art public computer labs,**
    - **Interlibrary Loan and Materials Delivery,**
    - **Building projects.**
- **Establish accountability mechanisms for use of state funds by Co-ops. (3) Suggestions were:**
    - **uniform structures,**
    - **reports, and standards of service.**

Summary Recommendation of the Finance Committee

The Library Cooperative subcommittee suggests that the consultants pay very careful attention to PA 89 of 1977 relating to state aid to public libraries and library cooperatives regarding issues of adequate funding methodology (using per capita, population density, etc.), development of basic statewide cooperative services, and recommendations for multi-type cooperation.

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The research team interviewed Barbara W. Cole, Director, Bureau of Library Development, Commonwealth of Pennsylvania, and M. Clare Zales, Executive Assistant to the Deputy Secretary of Education (the State Librarian), June, 2000.

The research team interviewed Michael Lucas, State Librarian of Ohio, and Lynda Murray, Government Relations and Public Information Director, Ohio Library Council, July, 2000.